RENEWABLE RESOURCES

~~2024~~2026

Long-Term Renewable Resources Procurement Plan

~~Final Plan~~

~~Prepared to conform with the Illinois Commerce Commission's Final Order in Docket No. 23-0714, dated February 20, 2024.~~

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Appendices are available separately at:

https://ipa.illinois.gov/energy-procurement/2024-ltrrpp-appendices.html
https://ipa.illinois.gov/renewable-resources/long-term-plan/2026-appendices.html

1. Introduction

This document constitutes the ~~final~~draft version of the ~~2024~~2026 Long-Term Renewable Resources Procurement Plan ("~~2024~~2026 Long-Term Plan," or "Plan") of the Illinois Power Agency ("IPA" or "Agency") ~~consistent with the Final Order of the Illinois Commerce Commission ("ICC" or "Commission") entered on February 20, 2024. It was~~ developed pursuant to the provisions of Sections 1-56(b) and 1-75(c) of the Illinois Power Agency Act ("Act" or "IPA Act~~"),"~~) and Section 16-111.5 of the Public Utilities Act ("PUA").

This Plan constitutes the ~~second~~third Long-Term Plan developed reflecting substantial changes made to the Illinois Renewable Portfolio Standard ("Illinois RPS" or "RPS") through the enactment of Public Act 102-0662 ("P.A. 102-0662") (colloquially known as the "Climate and Equitable Jobs Act" or "CEJA") on September 15, 2021. This Plan will cover the renewable energy procurement and programmatic activities conducted by the Agency over the ~~2024-2025~~2026-27 and ~~2025-2026~~2027-28 program years.[1]

1.1 Background and Evolution of Long-Term Plans

1.2 Initial Long-Term Plan

The Initial Long-Term Renewable Resources Procurement Plan ("Initial Plan") was developed by the IPA pursuant to the provisions of Sections 1-56(b) and 1-75(c) of the Illinois Power Agency Act ("Act" or "IPA Act"), and Section 16-111.5 of the Public Utilities Act ("PUA"). That Initial Plan[1] was developed under authority established through Public Act 99-0906 ("P.A. 99-0906"), enacted December 7, 2016 (effective June 1, 2017), which substantially revised the Illinois Renewable Portfolio Standard ("Illinois RPS" or "RPS"). The Initial Plan was approved by the Commission on April 3, 2018 in Docket No. 17-0838 and covered the Agency's renewable energy resources procurement and programmatic activities for the following two years. The Agency published the final Initial Plan on August 6, 2018.

The Initial Plan addressed the Agency's proposed set of programs and competitive procurements to acquire renewable energy credits ("RECs") for RPS compliance obligations applicable to three Illinois electric utilities: Ameren Illinois Company ("Ameren Illinois"), Commonwealth Edison Company ("ComEd"), and MidAmerican Energy Company ("MidAmerican"). The Initial Plan also described how the Agency would develop and implement the Illinois Solar for All ("ILSFA") Program, which utilizes a combination of funds held by the Agency in the Renewable Energy Resources Fund ("RERF") and funds supplied by the utilities from ratepayer collections, to support the development of photovoltaic ("PV") resources, along with job training opportunities (supported separately) to benefit low-income households and environmental justice communities across the State of Illinois.

1.2.1 First Revised Plan

The first Long-Term Plan update process was undertaken by the Agency in 2019 starting with stakeholder feedback opportunities, and on August 15, 2019 a draft Revised Plan was released for public comment concurrently with the IPA's release of its draft 2020 Electricity Procurement Plan.

[1] The energy industry operations on a delivery year cycle that runs from June 1 through May 31 of the following year. Unless otherwise indicated, the activities described in this plan operate on the same cycle, which is also referred to as a program year. Therefore, this Plan covers a period of activities starting June 1, ~~2024~~2026 and ending May 31, ~~2026~~2028.

The Revised Plan was filed for Commission approval on October 21, 2019 and reflected the Agency's consideration of comments received.

The Commission approved that Plan on February 18, 2020 and the Agency published a final version ("First Revised Plan") on April 20, 2020. The Agency subsequently petitioned the Commission to reopen the First Revised Plan to provide modifications addressing pressing RPS budget issues on March 3, 2021. The Commission approved those modifications on May 27, 2021 and the Agency filed a First Revised Plan on Reopening in conformance with that Order on June 7, 2021.

The First Revised Plan covered the Agency's proposals for procurements and program activity to be conducted during calendar years 2020 and 2021. As discussed throughout that Plan, absent legislative changes, RPS budget limitations would constrain the ability of the Agency to conduct additional procurements or expand program capacity for its Adjustable Block Program ("ABP"). That concern proved accurate, and the Agency was unable to open additional blocks of capacity for the ABP beyond those envisioned through the Initial Plan.

1.2.2 2022 Long-Term Plan

Following that two-year plan updating cycle, the Agency then again conducted stakeholder feedback opportunities and released a draft Second Revised Long-Term Plan on August 16, 2021 for public comment (concurrent with the release of the draft 2022 Electricity Procurement Plan). However, before comments on that Plan were due, in early September of 2021 the General Assembly passed the Climate and Equitable Jobs Act, a comprehensive energy policy bill. That legislation was signed by the Governor~~,~~ and became effective on September 15, 2021 as P.A. 102-0662. P.A. 102-0662~~, colloquially known as CEJA,~~ contained a provision that within 120 days, after its effective date, "the Agency shall release for comment a revision to the long-term renewable resources procurement plan, updating elementsof the most recently approved plan as needed to comply with this amendatory Act of the 102nd General Assembly, and any long-term renewable resources procurement plan update published by the Agency but not yet approved by the Illinois Commerce Commission shall be withdrawn for public comment." As a result, the Agency withdrew the draft Second Revised Plan and began the process ofpreparing a draft 2022 Long-Term Plan.[2]

To inform the development of the ~~new~~ 2022 draft Long-Term Plan, the Agency released requests for stakeholder feedback on several topics and held two stakeholder feedback workshops. The stakeholder feedback topics included questions on: (1) high-level RPS changes, (2) utility-scale procurements, (3) the newly created self-direct program, (4) changes to the ABP, (5) changes to the ILSFA, (6) consumer protection issues, (7) implementation of new Diversity, Equity, and Inclusion ("DEI") requirements, and (8) REC pricing. The IPA met the 120-day timeline and published a draft for public comment on January 13, 2022. In accordance with the Act, the Agency reviewed and revised the draft Long-Term Plan as necessary, based upon the public comments, and filed the 2022 Long-Term Plan for approval by the Commission on March 21, 2022 in Docket No. 22-0231, and the Commission approved that Plan with modifications on July 14, 2022.[3]

[2] P.A. 102-0662 also required opening new blocks of Adjustable Block Program capacity prior to the approval of a new Long-Term Plan by December 14, 2021. P.A. 102-0662 also mandated that the Agency hold procurements for RECs from new utility-scale wind, solar, and brownfield site photovoltaic projects prior to this Plan's approval; those procurements occurred in May 2022.

[3] Due to an unanticipated first-day oversubscription of Group A of the ABP's Equity Eligible Contractor category, the Agency sought reopening of its 2022 Long-Term Plan before the Commission on December 2, 2022. The Commission granted reopening and, following

The 2022 Long-Term Plan detailed the Agency's proposals for procurements and program activity to be conducted during 2022-23 and 2023-24 program years. The 2022 Plan made structural changes to the Agency's approach to Renewable Portfolio Standard implementation as required by P.A. 102-0662, including substantial changes to the scale of those efforts (including a significantly larger RPS budget and more aggressive REC procurement goals) and their scope (including new equity, labor, and other qualitative requirements). New Chapters were added through the 2022 Plan, including standalone chapters on a large-customer RPS self-direct program, consumer protection, and DEI initiatives. What was previously a standalone chapter on community solar project requirements was also absorbed into the Adjustable Block Program chapter. Those changes are outlined extensively in Chapter 2 of this Plan.

1.2.3 2024 Long-Term Plan

For this 2024 Long-Term Plan, the Agency released two rounds of stakeholder feedback on May 26 and June 8, 2023. Comments were due back by mid- or late- June and feedback helped inform this draft 2024 Long-Term Plan being released for public comment. The stakeholder feedback topics included questions on: (1) high-level RPS changes, (2) REC eligibility, (3) changes to competitive procurements, (4) changes to the Self-direct program, (5) consumer protection issues, (6) changes to the Illinois Shines program, (7) changes to the ILSFA, (8) policies to increase diversity, equity and inclusion in the clean energy economy, and (9) an independent REC-pricing study. The Agency received 75 comments from 28 parties. Commenters included businesses that qualify as Equity Eligible Contractors, Approved Vendors, organized labor, environmental and consumer advocates, industry associations, and utilities.

After the receipt of comments, Agency staff then developed a draft 2024 Long-Term Plan which was released for stakeholder comment on August 15, 2023. By law, "[a]n affected utility and other interested parties shall have 45 days following the date of posting to provide comment to the Agency" on the Plan, with those comments required to be "specific, supported by data or other detailed analyses, and, if objecting to all or a portion of the procurement plan, accompanied by specific alternative wording or proposals."[4] The Agency also held "at least one public hearing within each utility's service area" during this 45-day period. After the conclusion of the comment period, the IPA had twenty-one (21) days to revise the Long-Term Plan for filing with the Illinois Commerce Commission for approval. Thirty-four comments were received during the comment period. The IPA then prepared this version of the 2024 Long-Term Plan which was filed for ICC Approval on October 20, 2023. The ICC approved the 2024 Plan with modifications in its Final Order issued on February 20, 2024.[5]

~~This Final Plan reflects changes arising from the Commission's Order confirming and modifying the filed Plan. The Plan as filed has been amended consistent with the IPA's understanding of the Final Order issued by the Commission in Docket No. 23-0714. While the Agency has strived to fully and accurately reflect the Commission's Order in this update, in the case of any unintended inconsistencies between this Final Plan and the Commission's Order, the Final Order issued by the Commission shall govern.~~

litigation around the proposed changes, approved modifications to the Long-Term Plan on May 4, 2023. The Agency published its Modified Plan Upon Reopening on May 9, 2023.

[4] 220 ILCS 5/16-111.5(b)(5)(ii)(B).

[5] Final Order, ICC Docket No. 23-0714 (Feb. 20, 2024).

~~See Chapter 2 for additional information on the Plan approval process.~~

~~With the enactment of P.A. 102-0662, the Agency was tasked with numerous crucial implementation activities resultant from new requirements for renewable energy programs and competitive procurements administered by the IPA. Directed by P.A. 102-0662, and also through approval of the 2022 Long-Term Plan and the proposals made therein, the Agency has completed the following key renewable resources-related implementation activities:~~

- ~~P.A.102-0662 directed the Agency to create a Coal-to-Solar Program that offers incentives for companies to install solar and energy storage facilities at the sites of former coal plants. This program was implemented as a stand-alone program and not through the Long-Term Plan. To support this initiative, the Agency conducted two coal-to-solar procurements across April 2022 and October 2022.~~
    - ~~For the April 2022 procurement event, six projects submitted by Vistra were selected. In total, these projects are associated with an aggregate annual quantity of 464,564 RECs procured, or 228 MW of generation and 13.4 MW of storage.~~
    - ~~For the October 2022 procurement event, no proposals were submitted.~~
- ~~P.A. 102-0662 changed the REC pricing approach used in procurements for RECs from for utility-scale wind, solar, and brownfield site photovoltaic projects from a fixed price model to an "indexed" pricing model, with bidders offering a "strike price" in procurement events and REC prices floating based on wholesale energy prices.~~
- ~~For the Spring 2022 Indexed REC procurement event, bids were selected for one utility-scale wind project (200 MW), four utility-scale solar projects (494 MW), and one brownfield site photovoltaic project (5 MW).~~
- ~~For the Fall 2022 procurement event, bids were selected for seven utility-scale solar projects (436 MW) and four brownfield site photovoltaic projects (28 MW).~~
- ~~For the Summer 2023 procurement event, bids were selected for seven utility-scale solar projects (539 MW) and three brownfield site photovoltaic projects (39 MW).~~
- ~~The Illinois Commerce Commission approved the results of the Indexed REC procurement events on May 12, 2022, December 15, 2022, and June 29, 2023, respectively. Taken together, these Indexed REC Procurement events will support the development of a total 200 MW of utility-scale wind, 1,469 MW of utility-scale solar, and 72 MW of brownfield site photovoltaic projects. A fourth Indexed REC procurement event is scheduled to take place in Fall 2023.~~
- ~~P.A. 102-0662 required the Agency to reopen the ABP within 90 days of the enactment of the law. In December of 2021, the ABP was reopened with new blocks of capacity and new program categories, including the opening of the Equity Eligible Contractors, or EECs. The 2022-23 and 2023-24 program years of the ABP also commenced on September 1, 2022 and June 1, 2023. Cumulatively, the Program has had 60,961 projects approved by the ICC with a total capacity of 1,803.87 MW. By category:~~

- Traditional Community Solar has had 336 projects (712.85 MW of capacity), 39.52 % of the total capacity.
- Community Driven Community Solar has had 40 projects (36.72 MW of capacity), 2.04% of the total capacity.
- Equity Eligible Contractor (EEC) Community Solar has had 39 projects (119.05 MW of capacity), 6.60% of the total capacity.
- Public Schools Community Solar has had 1 project (0.88 MW of capacity), 0.05% of the total capacity.
- Large Distributed Generation has had 2,922 projects (492.37 MW of capacity). 27.29% of the total capacity.
- Small Distributed Generation has had 57,616 projects (441.02 MW of capacity). 24.45% of the total capacity.
- Public Schools Distributed Generation has had 7 projects (0.99 MW of capacity), 0.05% of the total capacity.

- P.A. 102-0662 created an equity accountability system mandating minimum equity standards for renewable energy programs and procurements administered by the Agency. The Minimum Equity Standard went into effect on June 1, 2023, and requires that 10% of the work on renewable energy projects supported through certain IPA programs and procurements be performed by Equity Eligible Persons or contractors. That target will increase to 30% by 2030.

- P.A. 102-0662 directed the Agency to create an online portal to connect clean energy companies and developers with Equity Eligible job seekers looking to work in the clean energy sector in Illinois. On January 31, 2023, the Energy Workforce Equity Portal[6] went live, providing educational information about opportunities to work in the clean energy sector, a job board for positions with clean energy companies, and online applications to be certified as an Equity Eligible Person.

- P.A. 102-0662 extended the reach of ILSFA program through increased funding and updated sub-programs. In an effort to ensure that all sub-program budgets fully leverage their annual budgets, the Agency introduced two pilot initiatives in the 2022 Long-Term Plan to support participation in the distributed generation sub-program which has yet to achieve participation levels that fully leverage its annual budget. The Agency conducted multiple stakeholder engagement processes during the 2022-2023 program year to facilitate the development of these Pilot Initiatives. The Home Repairs and Upgrades Pilot has begun training Approved Vendors and launched in July 2023. The Residential Program Delivery Pilot has selected Approved Vendors and was launched in August 2023.

- Additional changes to the ILSFA program included dedicated support for projects that promote energy sovereignty including a 25 percent funding carveout in each sub-program budget. The Agency defines "energy sovereignty" for the ILSFA program as "the eligible low-income household or community organization having or being on a defined path to majority or full ownership of the

[6] The initial launch was for Phase I of the Energy Workforce Equity Portal (https://energyequity.illinois.gov), an online database designed to help connect clean energy companies with Equity Eligible Persons looking to work in the clean energy sector in Illinois. P.A. 102-0662 directed the IPA and Illinois Department of Commerce and Economic Opportunity ("DCEO") to help historically underserved communities participate in and benefit from the growing clean energy economy. One of the tools to reach that goal is to have the IPA and DCEO create a public-facing portal that helps develop a diverse pipeline of skilled and trained clean energy workforce.

photovoltaic generating facility or, in the case of a cooperative or community ownership model, a share or membership in the entity that owns the photovoltaic generating facility".[7] In the 2022-2023 program year a total of 24 energy sovereignty projects were approved across all sub-programs with a total capacity of 6.41 MW and incentive value of $17,528,524.36, achieving 45 percent of the cumulative budgeted incentive carveout of $38,966,499.25.

- P.A. 102-0662 expanded, reinforced, and codified consumer protection standards applicable to transactions under IPA programs, including the following:
  - Registration for entities that submit project applications and subcontractors in either program,
  - Standard Disclosure Forms designed to provide consumers clear and consistent information about their solar projects submitted to either program,
  - Two Consumer Complaint Databases to promote transparency in both programs,
  - Consolidated a strong set of consumer protections within the Consumer Protection Handbook that is applicable to both the Illinois Shines and Illinois Solar for All programs.
  - Created the Consumer Protection Expanded Working Group which engages a diverse set of stakeholders to create a more robust discussion of consumer protection issues and provides the opportunity for consumers, solar companies, community and nonprofit organizations, and other members of the public to directly provide their insight and perspectives to the Program Administrators and Agency.

In light of this direction from P.A. 102-0662, the Agency introduced new Chapter 9 in the 2022 Long-Term Plan; that chapter outlined the Agency's robust approach to consumer protection across its solar programs.

- P.A. 102-0662 directed the Agency to create a Large Customer Self-direct Program, and Chapter 6 of the 2022 Long-Term Plan outlined the requirements applicable to that program. The Large Customer Self-direct Program encourages large Illinois electric customers served by ComEd or Ameren Illinois to retire Renewable Energy Credits (RECs) acquired through long-term contracts with new utility-scale wind and solar projects. In exchange, participants receive an electric bill credit reducing Renewable Portfolio Standard-related bill charges. Across late 2022 and early 2023, the Agency developed an initial program size, program application form and process, and bill crediting filing to be made with the ICC. Two applications have been approved for the 2023-24 program year. Between the two applicants, the Agency expects an aggregate quantity of between 500,000 and 1 million RECs to be retired by large customers in this first program year.

1.2.4 2026 Long-Term Plan

1.2.4.1 Successes from 2024 Long-Term Plan Implementation

The 2026 Plan comes on the heels of very successful 2024 Plan implementation activities. The clean energy transition in Illinois is unquestionably in full swing, with the Solar Energy Industries Association ranking Illinois as featuring the 4th most solar installations nationally across 2024 and leading the Midwest in installed solar capacity.[8] The latest U.S. Energy Information Administration analysis of electricity by source in Illinois showed over 20% of all electricity production in Illinois

[7] See Final Order at 110, ICC Docket No. 22-0231 (Jul. 14, 2022).

[8] https://seia.org/solar-state-by-state/.

constituting renewable energy in April 2025, substantially eclipsing both coal and natural gas.[9] Qualitatively, Illinois ranked first nationally in the Institute for Local Self-Reliance's Community Power Scorecard in both 2024 and 2025—the only state to receive an above average grade[10]—and is widely considered a national leader on consumer protection and equity. To better tell the story of the state's clean energy transition, the IPA launched its Clean Energy Dashboard in the Fall of 2024.[11]

These successes were fueled in large part by breakthroughs in IPA programs and procurements. After two years of struggling with meeting project application goals in the Small Residential Distributed Generation subprogram of Illinois Solar for All, that subprogram saw a major surge in project applications across the last months of the 2024-2025 program year and met full annual capacity for the 2025-2026 Program Year by mid-July of 2025.[12] Indexed REC procurements conducted since the enactment of 102-0662 had featured frustratingly low new wind project participation, but the Agency's Fall 2024 and Summer 2025 Indexed REC procurements brought over 4.7 million RECs under contract supporting over 2 GW of new wind project development.[13] All three Indexed REC procurement events conducted to date under the authority of the 2024 Long-Term Plan exceeded sought targets for utility-scale solar contract awards.[14] Illinois Shines as a whole was once again fully subscribed, awarding over 800 MW of new distributed generation solar and community solar projects with contract awards across the 2024-2025 Program Year. Both the Equity Eligible Contractor and Community-Driven Community Solar categories of the Illinois Shines program were oversubscribed in the 2024-25 program year, with each category receiving over 30 MW of additional reallocated capacity at the program year's end—showing that the growth in the Illinois clean energy economy is not just about the numbers, but also about a deep commitment to equity and community benefits.

Indeed, equity has been a centerpiece of 2024 Plan implementation, just as it is for this 2026 Plan's proposals. The 2023-2024 Program Year constituted the first year of implementation for the state's Minimum Equity Standard requiring that Equity Eligible Persons constitute a baseline percentage of the "project workforce" of beneficiaries of IPA programs and procurements. That percentage began at 10%, with compliance achieved by approximately 85% of the market, and has since risen to 14%. In August of 2024[15] and February of 2025,[16] the Agency released Part I and Part II of its Equity Accountability System Assessment outlining opportunities and challenges with equity policies implemented to date.

Additional breakthroughs have taken place in the consumer protection space. In the 2024 Plan, the IPA proposed three novel but administratively complex new initiatives to ensure that the benefits of its incentive programs are certain to flow through to Illinois residents and businesses: an escrow process instituted should Approved Vendors fail to pass through promised payments to customers;

[9] https://www.eia.gov/state/print.php?sid=IL.

[10] https://ilsr.org/articles/2025-community-power-scorecard/.

[11] https://cleanenergy.illinois.gov/.

[12] https://www.illinoissfa.com/news/illinois-solar-for-all-has-reached-capacity-for-small-residential-solar-projects/.

[13] https://www.ipa-energyrfp.com/wp-content/uploads/2024/12/Fall-2024-Indexed-REC-RFP-Results-05-Dec-2024.pdf; https://www.ipa-energyrfp.com/wp-content/uploads/2025/08/Summer-2025-Indexed-REC-RFP-Results-07-Aug-2025-1.pdf.

[14] Target quantities may be exceeded through a full award to the marginal winning bid, as explained further in Chapter 5.

[15] https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20240816-equity-accountability-system-assessment-final-081624.pdf.

[16] https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250214-equity-accountability-system-assessment-part-2-final.pdf.

a restitution program allowing customers to seek financial relief should they suffer financial loss through projects supported by IPA programs; and a stranded customer REC adder used to incent companies to pick up "stranded" customers left without a contractor due to market exit, bankruptcy, or similar circumstances. As of August 2025, two of the three initiatives are launched and operational, with the stranded customer REC adder due to launch by the end of the calendar year.[17]

1.2.4.2 2026 Long-Term Plan Challenges

In developing the 2026 Plan these successes are not front of mind; instead, we find ourselves grappling with new headwinds that are now drawing much of our time, energy, and attention. Recent federal legislation calls for aggressively sunsetting availability of the federal Investment Tax Credit ("ITC") for new wind and solar projects. Directionally, the changes resultant from losing the ITC are clear—new wind and solar projects will require substantially more funding through state incentive initiatives to be successfully developed. In developing this Plan, the IPA has had to grapple with by when those REC price adjustments should occur and if any such adjustments could be applied selectively. There are no correct or easy answers on this topic; the IPA has attempted to make simplifying assumptions in its proposals for the upcoming program year and the Agency deeply appreciates stakeholder perspectives through comments on this draft Plan.

Immediately increasing incentive levels to make up for the lost ITC would be an easier choice in a world of uncapped resources, but not all developers are impacted equivalently by the loss of the ITC and the state RPS budget is hardly limitless. Instead, increased Indexed REC Strike Prices, flattening forward energy curves, and load growth pushing RPS goals higher all contribute to the state's RPS budget likely being insufficient for meeting our state's aggressive RPS goals, with deficits potentially as soon as the 2027-2028 Program Year. While Public Act 103-1066's modification to Illinois law ensuring that contract holders will be made whole even if the RPS budget is exceeded is unquestionably helpful, those changes do not alter the basic math facing the RPS budget in upcoming years—math that could drive a future suspension in new contract awards absent legislative change, as discussed further in Chapter 3 of this Plan.

In addition to the federal policy and budgetary headwinds, the 2026 Plan has been developed against the backdrop of uncertainty. That uncertainty takes two primary forms. First, on August 14, 2025, the Joint Solar Parties petitioned the Illinois Commerce Commission to reopen ICC Docket No. 23-0714 (the Commission's docketed proceeding for approval of the 2024 Plan) so as to maximize contract awards in the 2025-2026 program year—a point in time at which the likelihood of ITC qualification is higher, and thus more projects can likely be supported at lower REC prices. The IPA is supportive of this approach but notes the uncertainty that it introduces for the analyses and proposals contained herein, especially the impact on anticipated expenditures.

Second, the Illinois General Assembly continues to debate omnibus energy legislation that would alter the statutory underpinnings of this Plan. That legislation may be considered during the Illinois General Assembly's upcoming veto session in October. It is possible that an omnibus energy bill may pass the ILGA shortly after the IPA files this Plan with the ICC; if so, the IPA may be required to withdraw that filing and adjust this Plan for consistency with changes in Illinois law. The IPA hopes

[17] https://illinoisshines.com/consumer-protection-initiatives/.

for express language within an omnibus energy bill providing a clear procedural path for withdrawal and refiling, including providing new timelines.

1.3 Plan Organization

Chapter 1 is the Introduction, which contains a brief overview of the Plan, background information and evolution of Long-Term Plans~~, including 2022 Long-Term Plan accomplishments.~~. In addition, this chapter also includes a set of action items the Agency requests the Commission expressly adopt as part of its approval of this Plan.

Chapter 2 provides an overview of the statutory requirements governing this Long-Term Plan contained in the Illinois Power Agency Act and the Public Utilities Act, including a historical overview of the Illinois RPS's development and evolution, an outline of the significant changes in Illinois law resulting from the enactment of P.A. 102-0662, and subsequent legislative changes.

Chapter 3 contains a description of RPS targets and goals, summaries of the current RPS portfolio, and an analysis of the of RPS budget. For this draft 2026 Plan, the Agency has substantially revised the organization and layout of Chapter 3 in light of substantial external interest in both RPS progress and RPS budget limitations.

Chapter 4 discusses the eligibility of RECs for use in the Illinois RPS. Specifically, it addresses two requirements of the RPS: eligibility of RECs from facilities in adjacent states, and the requirement that RECs cannot be procured from facilities that recover their costs through regulated rates.

Chapter 5 describes the competitive procurement process and the procurements the Agency plans to conduct for the delivery of RECs from new utility-scale wind and solar projects, modernized or retooled hydropower projects, and brownfield site photovoltaic projects, including the procurement quantities sought by technology for upcoming procurement events.

Chapter 6 describes the large customer self-direct compliance program, which authorizes bill credits for certain qualifying REC purchases. This program provides a path for qualifying customers in Illinois to engage in their own REC procurement activities and be credited back for some portion of non-by passable charges levied to support RPS activities.

Chapter 7 describes the Illinois Shines program, statutorily known as the ABP, which includes details on the following: the size of the program (which has increased relative to prior Plans); the structure of program blocks and categories; REC prices applicable to the program; the application process; payment terms; program requirements for participating Approved Vendors and Designees; project specifications; REC delivery requirements; and more.

Chapter 8 describes the ILSFA program including the program funding and design, customer terms, conditions, and eligibility, and the approach for designating environmental justice communities, including proposed environmental justice community map changes.

Chapter 9 describes the Agency's framework for consumer protection requirements for both Illinois Shines and ILSFA programs, including updates on ambitious new ~~proposals to address~~ consumer protection ~~concerns~~proposals proposed in the 2024 Plan and new proposals for consideration in this 2026 Plan.

Chapter 10 describes the Agency's commitment to diversity, equity, and inclusion in the renewable energy industry through the implementation of the Equity Accountability System, conducting a racial

disparity study, collecting data on the renewable energy workforce, equity eligible contractor qualification criteria, and management of the Energy Workforce Equity Database.

1.4 Action Plan

For this ~~2024~~2026 Long-Term Plan, the IPA ~~recommends~~intends to recommend that the ICC expressly approve the following items as part of the Plan's approval:

1. Approve the RPS targets, and budget estimates for Ameren Illinois, ComEd, and MidAmericanfor the delivery years ~~2024-2025~~2026-2027 through ~~2025-2026~~2027-2028 contained in Chapter 3, including the forecast used for this Plan, and additionally stipulate that Ameren Illinois, ComEd, and MidAmerican will provide updated load forecasts and budget data to the Agency on a biannual basis (each spring and fall) to allow the Agency to update those numbers.
2. Approve the continuation of the Agency's approach for considering and weighting the public interest criteria related to facilities located in adjacent states that is contained in Chapter 4.
3. Approve the procurements contained in Chapter 5 including ~~the changes to the procurement process to incorporate modernized or retooled hydropower projects, the release of certain information related to the benchmark development process, and the release of REC quantities for specific projects.~~changes to the Indexed REC procurement targets, REC delivery contract terms and conditions, and bid selection processes proposed within the Chapter.
4. Approve the design of the large customer self-direct program contained in Chapter 6 including the process for determining the program size, application process, and bill crediting methodology.
5. Approve the continuation of the basic design and terms and conditions of the ABP contained in Chapter 7, and approve updates to block design, program categories, schedule of REC prices, and program terms and conditions.
6. Approve the continuation of the basic design and terms and conditions of the ILSFA contained in Chapter 8, the updates proposed in this ~~2024~~2026 Long- Term Plan, and the authorization to deposit funds from the federal Greenhouse Gas Reduction Fund into the Renewable Energy Resources Fund.
7. Approve the consumer protection initiatives and approaches described in Chapter 9~~, including a REC adder for stranded projects, an escrow process, and a restitution program~~.
8. Approve the Agency's approach to minimum equity standards, equity eligible contractor qualification, and implementation of the equity accountability system contained in Chapter 10.
9. Approve the process for the submission, review, and approval of the proposed contracts to procure renewable energy credits or implement the programs authorized by the Commissionas primarily outlined in Chapters 5, 7, and 8.

The Illinois Power Agency respectfully ~~files~~releases this ~~Final 2024~~draft 2026 Long-Term Renewable Resources Procurement Plan~~, which reflects the Commission's Final Order in Docket No. 23-0714 approving and modifying this Plan consistent~~ for public comment, with ~~Section 16-111.5 of the PUA.~~

comments due by Monday, September 29, 2025.

2. Statutory Requirements of the Plan

This Chapter of the IPA's Long-Term Renewable Resources Procurement Plan ("Long-Term Renewables Plan," "Long-Term Plan," or "Plan") describes the statutory requirements applicable to the Plan, with a focus on key requirements and recent changes in Illinois law. ~~While not inclusive of all statutory requirements, this Chapter attempts to outline primary requirements while directing readers to individual Sections and Chapters in which the Agency's implementation approach to satisfying those requirements is explained in detail.~~ Previous iterations of this Chapter have included a robust history of the requirements of the Illinois Renewable Portfolio Standard, including detailed analysis of the statutory construct for renewable resource procurements from 2009-2016. For the sake of brevity, this Chapter will ~~provide a brief overview of the evolution of the legislative framework and~~ focus primarily upon the statutory requirements that currently govern the Plan.[18]

A Statutory Compliance Index, Appendix A, provides a complete cross-index of current statutory requirements and the specific sections of this Plan that address each requirement.

2.1 Renewable Energy Resource Procurement Prior to June 1, 2017

The Agency has been producing procurement plans for renewable energy resource procurements since 2008 and conducting renewable energy resource procurements since 2009. Prior to the enactment of Public Act 99-0906, the Illinois Renewable Portfolio Standard ("RPS") effectively had three compliance mechanisms depending on a customer's electricity supply source: eligible retail customer procurements, hourly pricing customer compliance payments, and Alternative Retail Electric Supplier ("ARES") compliance. While this structure no longer governs RPS implementation and compliance, it may be useful in understanding the current structure of the RPS.

The first of the three prior compliance mechanisms looks most like the present RPS. ~~The~~, as the Agency ~~was required to include in its annual electricity procurement plan procurement~~included proposals for procuring renewable resources for "eligible retail customers," i.e., those customers taking default supply service from their electric utility~~. The renewable procurements were intended to meet annually increasing targets based upon a percentage of customer load, where the applicable electric utility served as the counterparty to the~~, in its annual procurement ~~contracts.~~

plan. The second of these mechanisms required that the applicable electric utility apply ~~"the lesser of the maximum~~ alternative compliance payment ~~rate or the most recent estimated alternative compliance payment rate for its service territory for the corresponding compliance period"~~rates to hourly pricing customers. The IPA used these hourly Alternative Compliance Payments ("ACPs") to ~~serve as the funding source for~~fund procurements supporting distributed generation ~~development~~. As discussed in detail in Chapter 3, some balance of prior-collected hourly ACPs remains for REC procurements.

Finally, the third ~~of these RPS compliance mechanisms~~mechanism allowed ~~Alternative Retail Electric Suppliers ("~~ARES~~")~~ to satisfy their ~~own percentage-based~~ renewable portfolio standard requirement by making Alternative Compliance Payments ~~at a rate reflecting the rate paid by eligible retail customers~~ for no less than 50% of its obligation. The ARES could either make additional ACPs and/or self-procure Renewable Energy Credits ("RECs") to satisfy the remaining 50% of its obligations. These ACPs were deposited into the IPA-administered Renewable Energy Resources Fund ("RERF").

[18] For a detailed overview of the history of the RPS, please see Chapter 2 of the Agency's 2022 Long-Term Plan.

As discussed in Sections 3.5 and 8.4.2, some balance of funds remains in the RERF to support projects under the Illinois Solar for All Program.

2.2 Public Act 99-0906

~~The Agency's initial obligation to develop a Long-Term Renewable Resources Procurement Plan for managing RPS implementation stems from requirements included in Public Act 99-0906, a comprehensive energy bill that became effective on June 1, 2017. Among its many reforms, P.A. 99-0906 constituted a comprehensive overhaul of the State's renewable energy portfolio standard. Under the prior Illinois RPS, compliance and planning depended on how a customer's supply requirements were met, with three separate compliance mechanisms as described above. Changes to the Illinois RPS through P.A. 99-0906 fully~~Public Act 99-0906, a comprehensive energy bill that became effective on June 1, 2017, transitioned the state's RPS to a streamlined, centralized planning and procurement process, with both RPS targets and available budgets determined based on an electric utility's load for all retail customers[19] and funding collected through the utilities' delivery services charge. As part of P.A. 99-0906, the Agency was also required to create its first Long-Term Plan.[20]

P.A. 99-0906 ~~implemented a shift in~~shifted focus from compliance through the procurement of "renewable energy resources"—which may be either 1) a renewable energy credit ("REC") associated with a megawatt-hour ("MWh") of generation, or 2) that REC plus the associated generation—to compliance solely through ~~the purchase and retirement of "~~renewable energy credits~~."~~.[21] P.A. 99-0906 continued with a "25% by 2025" RPS trajectory ~~that had previously been contained in Section 1-75(c) since its enactment in 2008~~—meaning that 25% of eligible load should be met by RECs procured by the Agency by the year 2025—but just as funds to support REC procurements were now to be collected from all retail customers, that goal was likewise applied to all retail customer load. P.A. 99-0906 prioritized RECs from "new" wind and photovoltaic projects by establishing minimum procurement quantities~~;~~[22] ~~those quantitative REC delivery targets from "new" projects~~[23] that increased gradually through the end of the 2030 delivery year. These targets would be met through a series of competitive procurements of RECs ~~as well as through the development of~~and new programs to be administered by the Agency ~~to incentivize "new" photovoltaics~~. For the "new photovoltaic project" requirement, at least 50% needed to be procured from solar photovoltaic projects using the Illinois Shines program (used to support distributed generation and community solar, as discussed further below), at least 40% from utility-scale solar projects, and at least 2% from non-community solar brownfield site photovoltaic projects.

~~Budgets available to support renewable energy projects~~The RPS budget increased significantly under P.A. 99-0906, as funding was collected across *all* retail electric sales instead of only eligible retail

~~[19] For MidAmerican, the IPA understands that Section 1-75(c)'s renewable energy procurement targets are generally applied to the supply procured for MidAmerican's jurisdictional eligible retail customers and not all retail sales in its service territory.~~

[20] For MidAmerican, the IPA understands that Section 1-75(c)'s renewable energy procurement targets are generally applied to the supply procured for MidAmerican's jurisdictional eligible retail customers and not all retail sales in its service territory.

[21] See, e.g., 20 ILCS 3855/1-75(c)(1)(B), (C). The law continues to recognize that "renewable energy resources" may be used to satisfy the RPS, but focuses this Plan only on the procurement of "renewable energy credits" (which, standing alone, also may constitute "renewable energy resources").

~~[22] P.A. 99-0906 introduced the standard of a "new" project as being a project not energized before effective date of that Act (June 1, 2017). In many cases, that standard still applies to the definition of "new" projects, even after the enactment of P.A. 102-0662.~~

[23] P.A. 99-0906 introduced the standard of a "new" project as being a project not energized before effective date of that Act (June 1, 2017). In many cases, that standard still applies to the definition of "new" projects, even after the enactment of P.A. 102-0662.

customer load. While the rate impact cap ~~found~~ under Section 1-75(c)(1)(E) of the IPA Act ~~technically~~ remained the same ~~under Public Act 99-0906~~—2.015% of 2007 rates—expanding the pool of customers from which funding was collected increased the ~~available support for the~~ RPS budget. In prior years, the annual RPS budget ~~managed by the Agency could range~~ranged from $30 million to $100 million, with the Agency having little visibility in advance as to what future years' budgets would be. ~~Through Public Act 99-0906, by 2019~~Under the new funding structure, annual RPS budgets stabilized by 2019 in the range of $220 million to $230 million per year, not considering prior-collected ACPs. This increased ~~level of~~ funding was essential to meet the more aggressive targets ~~found~~ in the revised Illinois RPS~~, specifically targets related to ensuring that RECs were being procured from new wind and photovoltaic projects that may never have been developed but for the availability of funding through REC delivery contracts~~.

2.2.1 The Long-Term Renewable Resources Procurement Plan

Public Act 99-0906 required the Illinois Power Agency to outline a then-new procurement plan—the Long-Term Renewables Procurement Plan—containing proposals for implementing programs and procurements to incentivize new renewable energy projects and for the management of increased funds for meeting more aggressive RPS goals. This separate, renewable energy-focused planning process was a departure from ~~past practice. Previously, Illinois law required~~the previous requirement that ~~IPA~~the Agency propose renewable energy resource procurements ~~be proposed~~ through ~~the Agency's~~its annual electricity procurement plan pursuant to Section 16-111.5 of the Illinois Public Utilities Act ("PUA").

The Agency must revise the Long-Term Renewable Resources Procurement Plan, prepared pursuant to Section 16-111.5(b)(5) of the PUA, at least every two years, and "shall include procurement programs and competitive procurement events necessary to meet the goals" set forth in Section 1-75(c) of the IPA Act.

The original Long-Term Renewable Resources Procurement Plan, or "Initial Plan," was developed over the summer of 2017~~, published for comment on September 29, 2017, filed with the Illinois Commerce Commission for approval on December 4, 2017,~~ and approved by the Commission on April 3, 2018, through ICC Docket No. 17-0838. As that plan is required by law to be updated at least every two years, a Revised Long-Term Renewable Resources Procurement Plan was approved by the Commission on February 18, 2020, through Docket No. 19-0995. The Agency published its draft Second Revised Long-Term Plan on August 16, 2021, but withdrew the draft as required by Public Act 102-0662's revisions to Section 1-75(c)(1)(A) of the IPA Act. ~~Under those same revisions, the 2022 Plan was required to be published within 120 days of the effective date of P.A. 102-0662 (by January 13, 2022), was filed with the Illinois Commerce Commission on March 21, 2022, and was approved by the Commission through Docket No. 22-0231 on July 14, 2022. The Agency sought reopening of its 2022 Long-Term Plan before the Commission on December 2, 2022, to deal with an interpretive issue related to the Illinois Shines program. The Commission granted reopening and approved modifications to the Long-Term Plan on May 4, 2023. The Agency published its Modified Plan Upon Reopening on May 9, 2023.~~

~~Updates to the Long-Term Plan will continue on a biennial basis.~~

2.3 Public Act 102-0662 and Beyond

Public Act 102-0662, enacted September 15, 2021, significantly reshaped energy law in Illinois. In addition to a significant overhaul of the Illinois RPS, P.A. 102-0662 also created a policy target for the State of Illinois of 100% clean energy by 2050; offered a decarbonization schedule for the closure of fossil-based electric generating facilities; introduced additional support for at-risk nuclear plants through the procurement of carbon mitigation credits; provided financial support for communities faced with generating facility closures; established significant financial support for the clean energy workforce; created beneficial electrification, electric vehicle, and energy storage initiatives; contained numerous ethics and ratemaking reforms applicable to Illinois electric utilities; and addressed a litany of other issues too numerous to recount here.

With respect to the Illinois RPS and the Long-Term Plan, Public Act 102-0662 generally made three forms of changes~~. The first set of changes affected the volume of the RPS, both through increases in utility collections and the increase in the REC procurement goals and targets. The scale of the Illinois RPS grew considerably through the enactment of P.A. 102-0662.~~: quantitative adjustments to the RPS, new qualitative requirements for projects participating in IPA programs and procurements, and wholly new procurements and programs that expanded the Agency's work to meet the state RPS.

~~A second category of changes are qualitative changes that provided a different form or process for existing activities already conducted under the Illinois RPS. This included~~First, the enactment of P.A. 102-0662 considerably increased the scale of the Illinois RPS through increases in utility collections and to REC procurement goals and targets. Second, P.A. 102-0662 required more attention to qualitative attributes of projects supported by the Agency's programs and procurements, the expansion of focus on consumer protection oversight, the incorporation of labor requirements including prevailing wage and the use of project-labor agreements, and diversity, equity, and inclusion requirements across RPS programs and procurements.

Finally, P.A. 102-0662 expanded the scope of activities ~~to be~~ conducted by the Agency, including the establishment of a self-direct RPS compliance program and support for the development of new utility-scale photovoltaic projects coupled with storage at coal plants. While the "coal-to-solar" procurements were not conducted pursuant to the 2022 Long-Term Plan, RECs purchased and retired by counterparty utilities under coal-to-solar procurements "may be included or counted for purposes of compliance with the amounts of renewable energy credits required to be procured pursuant to subsection (c) of this Section to the extent that there are otherwise shortfalls in compliance with such requirements."[24]

Under those same revisions, the 2022 Plan was required to be published within 120 days of the effective date of P.A. 102-0662 (by January 13, 2022), was filed with the Illinois Commerce Commission on March 21, 2022, and was approved by the Commission through Docket No. 22-0231 on July 14, 2022. The Agency sought reopening of its 2022 Long-Term Plan before the Commission on December 2, 2022, to deal with an interpretive issue related to the Illinois Shines program. The Commission granted reopening and approved modifications to the Long-Term Plan on May 4, 2023. The Agency published its Modified Plan Upon Reopening on May 9, 2023.

[24] 20 ILCS 3855/1-75(c-5)(1).

2.3.1 Legislative Changes ~~Since~~After the 2022 Long-Term Plan

The Spring 2023 Session of the 103rd General Assembly featured ~~the introduction of a number of bills which would have impacted the Agency and portions of this Long-Term Plan; three of those~~three items have been enacted and impact activities outlined in this Long-Term Plan.

First, P.A. 103-0188, enacted and effective on June 30, 2023, amends Section 1-56 of the IPA Act to add a new subsection (b-15). Under this new provision, prevailing wage requirements apply to each project submitted to the Illinois Solar for All Program after the effective date, except those projects that serve residential homes and those projects with a capacity of less than 100 kW that serve houses of worship. ~~Amendments to the IPA Act under P.A. 102-0662 included requirements for compliance with prevailing wage and project labor provisions for the Agency's renewable programs and procurements under Section 1-75, and thus previously did not apply to Section 1-56 of the Act and the Solar for All Program. Pursuant to the enactment of P.A. 103-0188, the Program Administrator for the Illinois Solar for All has already begun implementing this requirement. Additional details on the implementation of the provisions of Section 1-56(b-15) of the IPA Act are outlined in Chapter 8.~~

Second, P.A. 103-0380, ~~signed by Governor Pritzker on July 28, 2023, with a~~ effective January 1, 2024 ~~effective date~~, amends various provisions of the IPA Act and directs the Agency to oversee the procurement of RECs from "newly modernized or retooled hydropower dams or dams that have been converted to support hydropower generation." ~~As this legislation was expected to be in effect by the time the Commission approves the 2024 Long-Term Plan, the IPA developed this 2024 Plan in accordance with the provisions of P.A. 103-0380.~~ More information regarding the development of processes to oversee the procurement of RECs from modernized or retooled hydropower projects is outlined in Chapter 5.

Third, P.A. 103-0255, ~~which also became~~ effective ~~on~~ January 1, 2024, ~~codifies~~codified a new section of the Department of Natural Resources (Conservation) Law of the Civil Administrative Code of Illinois. Specifically, Section 805-570 instructs the Agency to not use a "Conservation Opportunity Area" designation as a basis to deny or withhold any regulatory action, permitting, licensure, or funding under this Plan. As the Conservation Opportunity Area designation was only used in determining scoring for Traditional Community Solar project selection, the applicability of this new provision to the Long-Term Plan is limited. Updates have been made to Section 7.4.3. of this Plan that are consistent with this change in law.

Finally, P.A. 103-0580, effective December 8, 2023, modified requirements related to the Public Schools category of the Illinois Shines program. Under P.A. 103-0580,[25] the IPA Act now requires that projects in the Public School category be "installed on public school land."[26] The 2024 Plan reflects this change. ~~This is just an exemplary overview of recent legislative~~

2.3.2 Legislative Changes After the 2024 Long-Term Plan

Public Act 103-1066, effective February 20, 2025, made several changes~~, and~~ to the IPA Act. First, it required the ICC, in consultation with the IPA, to host workshops and develop a detailed plan for an initial forward procurement and model contract for utility-scale energy storage resources to be

[25] P.A. 103-0580 also resulted in the enactment of Section 1-129 of the IPA Act, which directed the Agency to commission a study to evaluate the potential impacts of certain policy proposals. The Policy Study is available on the IPA's website: https://ipa.illinois.gov/ipa-policy-study.html.

[26] ~~20 ILCS 3855/1-75(c)(1)(K)(iv).~~

delivered to the Governor, the General Assembly and the ICC by May 1, 2025.[27] As a result of a workshop process set to conclude by April 1, 2025, the was required to "be positioned" to conduct such an initial procurement of 1,500 MW of utility-scale storage by August 26, 2025.[28]

Second, P.A. 103-1066 provided authorization for the IPA to adjust the percentage-based targets for procurement of RECs from specific ~~requirements are discussed in more detail~~technologies or initiatives found in Section 1-75(c)(1)(C) of the Act through ~~the~~ this Plan "as necessary based on developer interest, market conditions, budget considerations, resource adequacy needs, or other factors." The IPA's approach to these changes is outlined in Chapters ~~ahead. As with prior Long-Term Plans, the following sections of this Chapter 2 provide an overview of specific legal requirements applicable to~~ 3 and 5.

Third, changes pursuant to P.A. 103-1066 also allow IPA to consider approaches "in addition to competitive procurements to procure renewable energy credits from repowered wind projects." [29] The IPA Act as amended by P.A. 103-1066, defines "repowered wind projects" as "utility-scale wind projects featuring the removal, replacement, or expansion of turbines at an existing project site, after the effective date of P.A. 103-1066, and the REC contract will only compensate for RECs resulting from such repowering." P.A. 103-1066 also includes repowered wind projects and retooled hydropower facilities in the list of categories of projects that must pay prevailing wage rates and must be built pursuant to a project labor agreement.

Fourth, P.A. 103-1066 increased the frequency of updates to the income eligibility thresholds for the Illinois Solar for All program outlined in Section 1-56(b). Section 1–56(b) now required that the income levels that qualified as 80% of area median income be revised "every year" to account for recent data, rather than every five years.

Finally, and perhaps most importantly, through new Section 1-75(c)(1)(E-5) of the Act, P.A. 103-1066 adjusted the IPA Act provisions related to the RPS budget and payment of obligations under existing contracts with the goal of "ensur[ing] full and uninterrupted payment is made" to sellers of RECs. To ensure uninterrupted payment, P.A. 103-1066 established a hierarchy of actions that the IPA or relevant utility shall take if the rate impact cap results in insufficient RPS funds to fully pay the sellers under existing contracts executed pursuant to Section 1-75 or 1-56 of the IPA Act. Under this ~~Plan.~~ approach, the utility shall use any "unspent funds in an interest-bearing account" to "remit full payment to the sellers to ensure prompt and uninterrupted payment of existing contractual obligation." If there is still a shortfall in meeting existing REC payment obligations using existing collections, then the utility shall nonetheless remit full payment of existing contractual obligations, and such payment shall be fully recoverable.

In such a scenario, subparagraph (E-5) requires the IPA to notify the Commission promptly that "existing contractual obligations are reasonably expected to exceed the maximum collection authorized" by the IPA Act through a compliance filing in the most recent Long-Term Plan approval docket. The IPA must then suspend or reduce new awards of REC delivery contracts unless and until it concludes that awarding new contracts would not cause the rate impact cap to be exceeded, i.e., the

[27] See 220 ILCS 5/16-135(g).

[28] Legislation authorizing storage procurement events was introduced in multiple forms, with the latest such version demonstrated through House amendments to Senate Bill 40, but all such proposals failed to pass the General Assembly during the Spring of 2025. As such, no storage procurement is currently proposed within this or any other Agency planning process.

[29] 20 ILCS 3855/1-75(c)(1)(C)(i).

payment obligations created by those contracts would be fully met by the future utility collections subject to the rate impact cap. Any suspension or reduction of contract awards under the Adjustable Block Program (Section 1-75(c)(1)(K)) or the Solar for All Program (Section 1-56) must occur at the end of the program year in which the IPA determines there will be insufficient funds to meet payment obligations.

2.4 Long-Term Renewable Resources Procurement Plan

As outlined above, Illinois law requires that the IPA develop a Long-Term Renewable Resources Procurement Plan to guide implementation of its renewable energy programs and procurements. Pursuant to Section 1-75(c)(1)(A) of the IPA Act and Section 16-111.5(b)(5) of the PUA, the Agency published ~~a~~this draft ~~2024~~2026 Plan on August 15, ~~2023~~2025. In accordance with the provisions of the PUA, the Agency ~~revised that~~will revise the draft Plan following a 45-day public comment period and ~~filed this 2024~~file the 2026 Long-Term Plan with the Commission for approval on October 20, ~~2023. The Commission approved the 2024 Long-Term Plan with modifications on February 20, 2024.~~[30]2025.

2.4.1 Plan Development and Filing Requirements

While Illinois law lacks any single list of required elements for the Plan, both Section 16-111.5(b) of the PUA and Sections 1-56 and 1-75 of the IPA Act contain discrete requirements for various elements of this Plan.

2.4.1.1 Elements Required Under the Public Utilities Act

Section 16-111.5(b)(5) of the PUA provides that "[t]he Agency shall prepare a long-term renewable resources procurement plan for the procurement of renewable energy credits under Sections 1-56 and 1-75 of the Illinois Power Agency Act for delivery beginning in the 2017 delivery year,"[31] with "delivery year" defined as ~~"the consecutive 12-month period beginning~~ June 1 ~~of a given year and ending~~ May 31 of the ~~following year."~~relevant years.[32] The PUA also contains certain discrete requirements for what the Plan must contain ~~or~~and what the Commission must approve.

First, the Plan must "[i]dentify the procurement programs and competitive procurement events consistent with the applicable requirements of the Illinois Power Agency Act and shall be designed to achieve the goals set forth in subsection (c) of Section 1-75 of that Act."[33] The IPA understands the term "competitive procurement event" to be an element of, if not commensurate with, a "competitive procurement process" or "competitive bid process," which the PUA describes as subject to the requirements of Section 16-111.5(e)-(i) where applicable (i.e., conducted in a manner consistent with the Agency's prior competitive procurements).[34] The term "program" presumably refers to the programs specifically referenced in Section 1-56(b) and Sections 1-75(c)(1)(K) and (N) of the IPA Act. This Plan's specific procurement programs and procurement events designed to meet the goals of Section 1-75(c) are described in Chapters 4 through 10.

[30] ~~Final Order, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[31] 220 ILCS 5/16-111.5(b)(5).

[32] 20 ILCS 3855/1-10.

[33] 220 ILCS 5/16-111.5(b)(5)(ii)(B)(aa).

[34] 220 ILCS 5/16-111.5(b)(5)(iii).

Second, the Plan must "[i]nclude a schedule for procurements for renewable energy credits from utility-scale wind projects, utility-scale solar projects, and brownfield site photovoltaic projects consistent with subparagraph (G) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act."[35] This ~~subparagraph concerns~~refers to the quantitative procurement targets (as opposed to percentage-based targets) for RECs from new solar and wind facilities found in Section 1-75(c), and the schedule for those procurements can be found in Chapter 5.

Third, the Plan must "[i]dentify the process whereby the Agency will submit to the Commission for review and approval the proposed contracts to implement the programs required by such plan."[36] Both REC delivery contracts and the IPA's program administrator contracts[37] must be approved by the Commission prior to execution.[38] The IPA's process for submitting contracts to the Commission for review and approval can be found in Chapters 7 and 8 of the Plan; it does not meaningfully differ from the process proposed and approved by the Commission in previous iterations of the Plan. As this requirement concerns only "the programs required by such plan," this requirement does not impact the contract development process for the competitive procurements described in Chapter 5, although Commission approval is also required prior to the execution of contracts for competitive procurements under the process described in Section 16-111.5(e)-(i) of the PUA.

Section 16-111.5(b)(5)(ii)(D) of the PUA also requires that the Commission "approve or modify the Agency's proposal for minimum equity standards" developed pursuant to Section 1-75(c-10) of the IPA Act, and "consider any analysis performed by the Agency in developing its proposal, including past performance, availability of equity eligible contractors, and availability of equity eligible persons at the time the long-term renewable resources procurement plan is approved." The Agency's proposed approach to minimum equity standards and Section 1-75(c-10) implementation can be found in Chapter 10.

2.4.1.2 Elements Required Under Section 1-75 of the Illinois Power Agency Act

Section 1-75 of the IPA Act contains the most robust set of requirements for the long-term plan~~, including the below.~~.

First, the Plan must "attempt to meet the goals for procurement of renewable energy credits at levels of at least the following overall percentages: 13% by the 2017 delivery year; increasing by at least 1.5% each delivery year thereafter to at least 25% by the 2025 delivery year; increasing by at least 3% each delivery year thereafter to at least 40% by the 2030 delivery year, and continuing at no less than 40% for each delivery year thereafter" with an additional goal of "50% by delivery year 2040."[39] These percentages represent a portion of each utility's "load for all retail customers," which includes

[35] 220 ILCS 5/16-111.5(b)(5)(ii)(B)(bb).

[36] 220 ILCS 5/16-111.5(b)(5)(ii)(B)(cc).

[37] For the Agency's third-party program administrators, Section 16-111.5(b)(5)(iii) provides that "[t]hird parties shall not begin implementing any programs or receive any payment under this Section until the Commission has approved the contract or contracts under the process authorized by the Commission in item (D) of subparagraph (ii) of paragraph (5) of this subsection (b) and the third party and the Agency or utility, as applicable, have executed the contract."

[38] In its Order approving the Initial Plan, the Commission held that under Section 16-111.5(b)(5)(iii)'s requirements, "it must review the individual [REC delivery] contracts between the utilities and Approved Vendors, not just a master contract," although "a master contract that is updated by a confirmation agreement providing the batch details regarding seller, buyer, price, term, project location, etc. is a reasonable approach." Final Order at 116, ICC Docket No. 17-0838 (Apr. 3, 2018).

[39] 20 ILCS 3855/1-75(c)(1)(B).

load served by alternative retail electric suppliers. The law also provides that "in the event of a conflict between these goals and the new wind, new photovoltaic and hydropower procurement requirements …the long-term plan shall prioritize compliance with the new wind, new photovoltaic and hydropower procurement requirements ~~described in items (i) through (iii) of subparagraph (C) of this paragraph (1)…~~ over the annual percentage targets ~~described in this subparagraph (B).".~~ "[40]

~~In Docket No. 17-0838, the Commission's Order approving the Initial Plan determined that any procurements originally proposed to meet annual percentage-based REC procurement goals (i.e., 25% of retail customer load) should be cancelled to avoid any potential conflicts with meeting "statutory long-term new build requirements"[41] (i.e., the total number of RECs procured from newly built projects). Public Act 102-0662 memorialized that directive (and P.A. 103-0380 recently updated this approach), with Section 1-75(c)(1)(B) now~~The IPA Act, as amended by Public Act 102-0662, appears to bar the Agency from performing "spot procurements" (short-term contract awards used to bring RECs under contract from liquid REC markets to increase compliance percentages), with Section 1-75(c)(1)(B) instead instructing that "[t]he Agency shall not comply with the annual percentage targets described in this subparagraph (B) by procuring renewable energy credits that are unlikely to lead to the development of new renewable resources or new, modernized, or retooled hydropower facilities." ~~This language appears to bar the Agency from continuing to perform "spot procurements," which sought to fill RPS compliance gaps through one-year contracts for the delivery of RECs from existing projects.~~ Further discussion about progress toward these RPS goals is covered in Chapter 3, and application of this new statutory provision in prohibiting program participation from photovoltaic systems energized after June 1, 2017, whose development had previously been supported through IPA-administered REC delivery contracts can be found in Chapter 7.

Second, the Plan "shall include the procurement of renewable energy credits in amounts equal to at least" the new wind and new photovoltaics targets found in Section 1-75(c)(1)(C) of the IPA Act. These targets are 10,000,000 RECs delivered annually by 2021, increasing to 45,000,000 RECs delivered annually by 2030. Of that amount, the Agency shall ~~attempt~~endeavor to procure "45% from new and repowered wind and hydropower projects and shall procure at least 55% from photovoltaic projects."[42] ~~Beginning on January 1, 2024, the Act also directs the Agency to "consider other approaches, in addition to competitive procurements, to procure renewable energy credits from new and existing hydropower facilities[.]"[43]~~

For "new photovoltaic projects," 50% of RECs are to be procured through the Illinois Shines program (i.e., distributed generation or community solar projects), 47% from utility-scale (above 5 MW) projects, and 3% from brownfield site projects that are not community renewable generation projects. Beginning February 20, 2025, the Agency may adjust these percentages as necessary, through the Long-Term Plan, based on developer interest, market conditions, budget considerations, resource adequacy needs or other factors. Further discussion of these quantitative targets, including progress to date, can be found in Chapter 3.

[40] ~~Id., as amended by P.A. 103-0380 (eff. Jan. 1, 2024).~~ Id.

[41] ~~Final Order at 42, ICC Docket No. 17-0838 (Apr. 3, 2018).~~

[42] 20 ILCS 3855/1-75(c)(1)(C)(i), as amended by P.A. 103-~~0380~~1066. (eff. ~~Jan. 1, 2024).~~Feb 20, 2025).

[43] ~~See P.A. 103-0380, eff. Jan. 1, 2024, amending 20 ILCS 3855/1-75(c)(1)(C)(i).~~

Third, the law requires that, to the extent that annual RPS spending budgets[44] are limited, the Plan "shall prioritize ~~compliance with the requirements of this subsection (c) regarding~~... renewable energy credits" ~~according to the following priority ranking in Section 1-75(c)(1)(F):~~ from:

(i) ~~renewable energy credits under~~ existing contractual obligations as of June 1, 2021;

(ii) ~~funding for~~ the Illinois Solar for All Program ~~as described in Section 1-75(c)(1)(O);~~;

(iii) ~~renewable energy credits necessary to comply with~~procurements that meet the new wind and new photovoltaic procurement requirements in Section 1-75(c)(1)(C); and

~~(iv) renewable energy credits necessary to~~(iv) procurements that meet the remaining requirements of Section 1-75(c) (including the percentage-based delivery year goals in Section 1-75(c)(1)(B)).[45]

This statutory language and related considerations were placed at issue in the reopening of Docket No. 19-0995, the proceeding for Commission approval of the Revised Long-Term Plan. Through the IPA's March 3, 2021 Petition to Reopen, the Agency sought Commission approval of a regime under which REC delivery contract payments would possibly be subject to deferral should expenses exceed collections for an upcoming delivery year, as the IPA then expected this would be the case for two of the three utilities in the 2021-22 delivery year. ~~Relying in part~~ In its May 27, 2021 Order on ~~Section 1-75(c)(1)(F),~~Reopening, the ~~IPA argued~~Commission concluded that REC delivery contracts pre-dating Public Act 99-0906's passage and Illinois Solar for All contracts should be exempted from any payment deferrals, as those contracts feature statutory priority. ~~In its May 27, 2021 Order on Reopening, the Commission agreed.~~[46][47]

Changes made through P.A. 102-0662 to Section 16-108(k) of the PUA and Section 1-75(c)(1)(E) of the IPA Act more than double the prior RPS budget and allow for prior years' collections to meet future years expenses on a first-in, first-out basis across a five-year period. However, as separate language in Section 1-75(c)(1)(C)(ii) of the Act directs the IPA to exhaust the budget even if RPS goals and targets are met, the statutory priority appears to be to maximize RPS funds to the greatest extent possible. The Agency's approach to establishing budgets for upcoming delivery years and how those budget projections inform procurement quantities can be found in Chapter 3.

Fourth, the law requires that RECs procured under the Initial Forward Procurements[48] shall apply to Section 1-75(c)'s REC procurement goals.[49] The Agency also includes RECs procured under Section 1-75(c)(1)(G)(iii) and (iv) (Illinois Shines program reopening post-P.A. 102-0662) in this Plan's accounting of progress toward RPS goals and targets. The Agency's target procurement quantities and number of RECs under contract can be found in Chapter 3 of this 2024 Long-Term Plan.

[44] The statutory cost cap and resulting budgets for RPS spending, directed in Section 1-75(c)(1)(E) of the Act, and the addition of cost-recovery measures, outlined in Section 1-75(c)(1)(E-5) of the Act, are discussed in more detail in Chapter 3 of this ~~2024~~2026 Long-Term Plan.

[45] 20 ILCS 3855/1-75(c)(1)(F).

[46] ~~Order on Reopening at 26-28, ICC Docket No. 19-0995 (May 27, 2021).~~

[47] Order on Reopening at 26-28, ICC Docket No. 19-0995 (May 27, 2021).

[48] The Initial Forward Procurements are those conducted under Section 1-75(c)(1)(G)(i) and (ii) of the IPA Act.

[49] 20 ILCS 3855/1-75(c)(1)(G)(i)-(ii).

Fifth, in implementing the Indexed REC price structure for competitive procurements—under which REC prices rise as energy revenues fall with wholesale energy prices, and vice versa—Section 1-75(c)(1)(G)(v)(4) allows the Agency to "consider the institution of a price collar … establishing floor and ceiling REC prices applicable to indexed REC contract prices." Indexed REC price collars are discussed further in Chapter 5.

Sixth, the Plan must describe how each "public interest factor" enumerated in Section 1-75(c)(1)(I) "shall be considered and weighted for facilities located in states adjacent to Illinois." The Agency's approach for applying these criteria can be found in Chapter 4; Chapter 4 also addresses qualifying RECs associated with electricity transmitted to high-voltage direct current converter stations.

Seventh, pursuant to Section 1-75(c)(1)(J), the Plan shall provide that RECs previously purchased from generating systems that turn out to be rate-based for a state-regulated entity shall be made up through a procurement event, with that procurement event funded through amounts returned under the terms of those REC delivery contracts. The IPA Act prohibits counting RECs toward the RPS targets "if they are sourced from a generating unit whose costs were being recovered through rates regulated by this State or any other state or states on or after January 1, 2017."[50] To date, the IPA is unaware of any instances for which this provision has needed to be enforced.[51]

Eighth, the Plan "shall include an Adjustable Block program for the procurement of renewable energy credits from new photovoltaic projects that are distributed renewable energy generation devices or new photovoltaic community renewable generation projects."[52] A detailed description of the Agency's Illinois Shines program[53] can be found in Chapter 7. That Program features six project categories with an annual block structure~~; statutory text establishing the newest project categories also provides~~ and discrete requirements for Plan content:

- For the Public Schools category, the Plan must detail the "proposed quantities or blocks, pricing, and contract terms~~" are to be included along with "the renewable energy credit price~~" and "payment terms," with those terms designed to "make it feasible and affordable for public schools to install photovoltaic distributed renewable energy devices."
- For the community-driven community solar project category, ~~"~~the ~~Agency shall develop~~ Plan must include "selection criteria for projects participating in this category" and ~~define~~ "terms and guidance" for this selection criteria ~~through the Plan~~.
- For the Equity Eligible Contractor category, the Plan must establish the capital ~~advancement~~advance structure (through which applicant projects may receive payment for anticipated REC ~~delivery revenues~~deliveries predating project energization), including "[t]he amount or percentage of advanced capital" and how that advancement structure is informed by an applicant's demonstration of need~~, is to be established through the Plan.~~.

Ninth, pursuant to Section 1-75(c)(1)(M) of the Act, the Long-Term Plan shall also include "the Adjustable Block program terms, conditions, and requirements, … applicable to participating entities

[50] 20 ILCS 3855/1-75(c)(1)(J).

[51] The Agency understands that P.A. 102-0662's edits to Section 1-75(c)(1)(J) concerning HVDC converter stations are merely clarifying edits, and not intended to create any exception to this subparagraph's prohibition against utilizing RECs from rate-based projects.

[52] 20 ILCS 3855/1-75(c)(1)(K).

[53] While the IPA Act creates an "adjustable block program," the IPA has adopted a more consumer-friendly branding for the program of Illinois Shines. The Agency will use "Illinois Shines" throughout this Plan to refer to the Adjustable Block Program, except where quoting the statute.

and project applications." These "terms, conditions, and requirements" must include a statutory list of consumer protection requirements—although many of these requirements mirror existing program implementation. The Agency's approach for implementing these consumer protection requirements can be found in Chapter 9.

Tenth, under Section 1-75(c)(1)(N), the Plan "may consider whether community renewable generation projects utilizing technologies other than photovoltaics should be supported through State-administered incentive funding, and may issue requests for information to gauge market demand." The Agency's prior efforts in this regard demonstrated scant interest in non-solar community renewable generation project development (at least without significantly higher REC prices).[54] Additional discussion can be found in Chapter ~~7~~5.

Eleventh, the Long-Term Plan must define "procedures established by the Agency" through which project labor agreements for new utility-scale wind and solar, and brownfield site photovoltaic projects, "shall be filed with the Director."[55] This project labor agreement requirement is described in more detail within Chapter 5, which discusses competitive procurements.

Twelfth, Section 1-75(c)(1)(R) of the Act directs the Agency to "establish a self-direct renewable portfolio standard compliance program for eligible self-direct customers that purchase renewable energy credits from utility-scale wind and solar projects through long-term agreements for purchase of renewable energy credits" through its Long-Term Plan. Details of the RPS self-direct program can be found in Chapter 6.

Lastly, Section 1-75(c-10), (c-15), (c-20), (c-25), and (c-30) establish diversity, equity, and inclusion requirements to be addressed through the Agency's Long-Term Plan. These include the "schedule of percentage increases to the minimum equity standards" ~~to increase those standards~~ from 10% to 30%, and "requirements for ensuring that competitive procurement processes" advance equity goals, including through "bid application requirements" and "bid evaluation methodology" in competitive procurements.[56] The Agency's full approach to implementing these provisions can be found in Chapter 10.

The Agency's approach for implementing numerous other requirements found in Section 1-75 of the IPA Act are also included in the Long-Term Plan across the chapters that follow.

2.4.1.3 Elements Required Under Section 1-56 of the Illinois Power Agency Act

Section 1-56 of the IPA Act required the creation of "the Illinois Solar for All Program, which provides incentives for low-income distributed generation and community solar projects … to bring photovoltaics to low-income communities in this State."[57] The Plan must include "the Illinois Solar for All Program terms, conditions, and requirements,"[58] including REC prices (which may be provided through a formula).

[54] More information about the community renewable generation procurement can be found here: https://www.ipa-energyrfp.com/2019-community-renewable-generation-program-forward-procurement-aic-and-comed.

[55] 20 ILCS 3855/-175(c)(1)(Q)(2).

[56] 20 ILCS 3855/1-75(c-10).

[57] 20 ILCS 3855/1-56(b)(2).

[58] 20 ILCS 3855/1-56(b)(4).

The Illinois Solar for All program began accepting project applications on May 15, 2019. More details on the Agency's Illinois Solar for All program can be found in Chapter 8.

Section 1-56 authorizes the IPA to hire a third-party program administrator (or administrators) ~~to assist with the administration of the Illinois Solar for All program. The Plan shall~~and requires that the Plan identify how often that administrator must report to the Agency and the Commission and provide for an independent evaluation of the program.

Section 1-75(c)(1)(O) of the Act provides that the Plan "shall allocate up to $50,000,000 per delivery year to fund the programs, and the plan shall determine the amount of funding to be apportioned to the programs identified in subsection (b) of Section 1-56 of this Act." The IPA understands Section 1-75(c)(1)(O) to authorize "up to $50,000,000" in addition to whatever may be allocated in a given year through the RERF. ~~The law also requires that "[f]or the delivery years beginning June 1, 2021, June 1, 2024, June 1, 2027, and June 1, 2030 and [*sic*] additional $10,000,000 shall be provided to the Department of Commerce and Economic Opportunity to implement the workforce development programs and reporting as outlined in Section 16-108.12 of the Public Utilities Act."[59]~~

Additional Illinois Solar for All requirements to be outlined in this Plan include job trainee requirements; barriers to participation of small and emerging businesses; efforts to promote energy sovereignty; efforts to encourage "cross-participation" between the Illinois Shines and ILSFA programs; consideration of "incentives targeted to increase the uptake of non-photovoltaic technologies…, including energy storage paired with photovoltaics"; and whether "individual subprograms… are better served by a different or separate Program Administrator" from the Illinois Shines Program Administrator.

These and other items are addressed in Chapter 8 of the Plan.

2.4.2 Items Not Included in Long-Term Renewable Resource Procurement Plan

While the Plan sets forth the IPA's proposed approach to meeting the State's renewable energy resource procurement targets, it is not the sole mechanism for facilitating the development of renewable energy in Illinois or providing value for the environmental attributes of electricity generation. Thus, many items that may be of interest to readers of this Plan are not directly addressed in it. Below is a non-exhaustive list of those items not addressed in the Plan:

- Contracts or tariffs for the sale of energy from renewable energy generating facilities, whether through bilateral contracts, wholesale market sales, community renewable generation bill crediting, or net metering;
- Previously effective renewable energy resource procurement obligations applicable to alternative retail electric suppliers under Section 16-115D of the PUA;
- The procurement of zero emission credits from zero emission facilities under Section 1-75(d-5) of the IPA Act, or carbon mitigation credits from carbon-free energy resources under Section 1-75(d-10) of the IPA Act;
- Coal to Solar procurements conducted pursuant to Section 1-75(c-5) of the IPA Act;
- Workforce development plans produced by a utility pursuant to Section 16-108.12 of the PUA;

~~[59] 20 ILCS 3855/1-75(c)(1)(O). See also ICC Docket No. 17-0332, in which ComEd's Workforce Development Implementation Plan was approved; this proceeding was reopened after passage of P.A. 102-0662 to reflect this shift in responsibilities.~~

- Renewable energy generating device installer certification requirements developed pursuant to Section 16-128A of the PUA;
- Tariff filings or modifications for the collection of funds used by utilities to pay for renewable energy credit, zero emission credit, and carbon mitigation credit delivery contracts;
- Specific renewable energy generating projects, proposals, or sites, including any municipal, county, or state permitting (e.g., actions by Agencies other than the IPA) required;
- "Green" or "clean energy" retail supply products marketed and sold by alternative retail electric suppliers;
- Requirements and processes for the interconnection of new renewable energy generating facilities, including projects facilitated by IPA-administered programs and procurements;
- Broader decarbonization plans, including the closure of Illinois fossil-based energy facilities;
- Energy storage workshops led by the Illinois Commerce Commission~~;~~ or any resultant energy storage procurement events;
- Integrated grid planning processes, or other attempts to modify the electric distribution system;
- Beneficial electrification initiatives, electric vehicle incentives, or electric vehicle infrastructure policy; and
- Renewable energy access plan development.

These issues may be of significant interest to the Agency, and in some cases, their presence or resolution informed decisions made in this Plan. However, as they do not fall within the scope and jurisdiction of what the IPA may propose and the Commission may approve as part of this Plan, specific proposals related to the above-listed topics are not made within this document.

2.4.3 2024 Long-Term Plan Development and Approval

Throughout the spring of ~~2023~~2025, the Agency issued a series of stakeholder feedback requests seeking input on changes that may be necessitated on various topics related to the Long-Term Plan~~. The Agency reviewed that feedback~~ and considered ~~it against the backdrop~~that feedback in preparation of ~~the experiences in implementing and administering its procurement events and incentive programs pursuant to the 2022 Plan.[60] The~~this draft ~~2024~~Long-Term Plan. This draft 2026 Long-Term Plan was published in accordance with the provisions of Section 16-111.5(b) of the PUA on August 15, ~~2023~~2025. Under the requirements of Section 16-111.5(b)(5)(ii) of the PUA, ~~a~~the 45-day public comment period ~~of 45 days closed~~will close on September 29, ~~2023~~2025.

During the 45-day comment period, the Agency ~~is also required to hold public hearings for receiving public comment on the Plan in the service territory of each affected utility. The Agency conducted~~will conduct three virtual public hearings (as has been done since 2020) on September ~~15, 2023—~~25, 2025, one for each of the three affected utility service territories. ~~Thirty-four sets of written comments were received on the draft Plan.[61]~~

Pursuant to Section 16-111.5(b)(5)(ii), the IPA ~~revised~~will the draft Plan based upon the comments received and ~~filed~~file this ~~2024~~2026 Long-Term Plan with the Commission for approval within 21

~~[60] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20230526-430pm-2024ltp-first-stakeholder-request.pdf, https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20230608-2024ltp-second-stakeholder-request.pdf, and https://ipa.illinois.gov/energy-procurement/plans-under-development/stakeholder-feedback-for-long-term-plan-development.html.~~

~~[61] Comments on the draft Plan can be found at: https://ipa.illinois.gov/energy-procurement/plans-under-development/stakeholder-feedback-on-draft-2024-long-term-renewable-resources.html.~~

days thereafter, ~~on~~by October 20, ~~2023.~~2025. The Commission must take action to either approve the Plan or approve with modification within 120 days of filing. ~~The Commission approved this Plan with modifications on the deadline of February 20, 2024.[62] This Final Plan reflects revisions necessitated by the Commission's Final Order in that proceeding (in addition to other updates where applicable).~~

2.4.4 Bi-Annual Plan Updates

The PUA provides that the Agency "shall review, and may revise, the plan at least every 2 years" and "shall review and propose any revisions to the long-term renewable energy resources procurement plan in conjunction with the Agency's other Section 16-111.5 planning and approval processes."[63] At present, and absent a statutory change through new legislation, the Agency tentatively plans for its next revisions to its Long-Term Renewable Resources Procurement Plan to be proposed in ~~2025~~2027, as part of the development and approval process of the IPA's ~~2026~~2028 annual procurement plan.

The PUA also requires that "the Commission shall hold an informal hearing for the purpose of receiving comments on the prior year's procurement process and any recommendations for change" on or before July 1 of each year.[64] This has taken the form of written recommendations, technical or substantive, being submitted to the Commission and posted publicly on the Commission's website.[65]

2.5 The RPS and Percentage-Based Goals of the RPS

The Illinois RPS requires that a certain percentage of electricity sales, increasing over time, be met with renewable energy or renewable energy credit procurement. For Illinois, this total is now "40% by 2030, climbing to 50% by 2040."[66]

2.5.1 Load Applicable to RPS Goals

The RPS establishes goals applicable to "all load for retail customers" by the 2019 delivery year.

~~Certain exceptions exist to this load calculation:~~That load does not include load served by certain ARES-owned generating facilities and load from customers that participate in the self-direct program. Under Section 1-75(c)(1)(H), if an ARES owned one or more renewable generating facilities that were not wind or photovoltaic as of December 31, 2015, then that ARES may elect "to supply its retail customers with renewable energy credits from the facility or facilities" so long as those facilities continued to be owned by that ARES. The statutory renewable energy resource obligation for the ARES would then be reduced by that number of RECs.[67] Similarly, participation in the self-direct program outlined in Section 1-75(c)(1)(R) of the Act results in that customer's retail customer load no longer being considered part of the denominator for RPS procurement requirements.

~~[62] See Final Order, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[63] 220 ILCS 5/16-111.5(b)(5)(ii)(B), as amended by P.A. 103-0380 (eff. Jan. 1, 2024).

[64] 220 ILCS 5/16-111.5(b)(5)(vi). Information about the Commission's most recent informal hearing can be found here: https://www.icc.illinois.gov/programs/Electricity-Procurement-Process-for-Plan-Years-Beginning-June-2022.

[65] For example, see: https://www.icc.illinois.gov/workshops/Electricity-Procurement-Process-for-Plan-Years-Beginning-June-2019.

[66] 20 ILCS 3855/1-75(c)(1)(B).

[67] For the 2023-2024 delivery year, see the following report on the RECs supplied under this provision: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/2023-report-of-aggregate-amount-of-recs-supplied-by-ares.pdf. Tables describing progress toward RPS goals found in Chapter 3 account for these RECs.

Section 1-75(c)(1)(B) provides that "[t]he Agency shall not comply with the annual percentage targets described in this subparagraph (B) by procuring renewable energy credits that are unlikely to lead to the development of new renewable resources or new, modernized, or retooled hydropower facilities."[68] Further discussion of how RPS percentage goals for each year are multiplied by retail customer load to create annual REC procurement targets is presented in Chapter 3.

The RPS goals only apply to load served by Illinois' major electric distribution utilities: ComEd, Ameren Illinois, and that portion of MidAmerican load for which the IPA conducts procurements. ~~Illinois~~Section 1-75(c)(1)(B)'s RPS goals do not apply to load served by municipal electric utilities, rural electric cooperatives, or Mt. Carmel Public Utility Company~~, and those entities do not have renewable energy procurement obligations under Illinois law.~~

2.5.2 Eligible Projects for the Illinois RPS

Not all renewable energy generating facilities are eligible to sell RECs into the Illinois RPS. Changes made through P.A. 99-0906 significantly narrowed the universe of qualifying RECs for the RPS, and those changes were largely kept intact through P.A. 102-0662~~.~~ and subsequent legislative changes outlined above.

2.5.2.1 Eligible Generating Technologies

Section 1-10 of the IPA Act's definition of "renewable energy resources" includes energy generated "from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, crops and untreated and unadulterated organic waste biomass, and hydropower that does not involve new construction of dams, waste heat to power systems, or qualified combined heat and power systems" as well as "landfill gas produced in the State." The definition also expressly includes "high voltage direct current renewable energy credits and the associated energy ~~converted to alternating current by a high voltage direct current converter station to the extent that: (1) the generator of such renewable energy resource~~" provided that "(1) the generator ... contracted with a third party to transmit the energy over the high voltage direct current transmission facilities, and (2) ~~the third-party contracting for delivery of renewable energy resources over the high voltage direct current transmission facilities~~[such] third-party ... have [*sic*] ownership rights over the unretired associated high voltage direct current renewable energy credit."[69] The IPA understands that only those generating technologies delineated in the definition may produce qualifying RECs.[70]

The Act also sets forth certain generating technologies categorically ineligible to produce qualifying RECs under the Illinois RPS, which include "the incineration or burning of tires, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste, railroad crossties, utility poles, or construction or demolition debris, other than untreated and unadulterated waste wood."[71]

These requirements are merely threshold requirements for technical eligibility for RECs within the Illinois RPS; specific programs and outlined procurement targets carry additional limitations on

[68] 20 ILCS 3855/1-75(c)(1)(B).

[69] 20 ILCS 3855/1-10, as amended by P.A. 103-0380 (eff. Jan. 1, 2024).

[70] The Agency understands that newly "modernized" or "retooled" hydropower facilities will be eligible to participate upon the effective date of P.A. 103-0380 (January 1, 2024).

[71] Id.

eligible generating technologies. For example, past modifications to the definition of "renewable energy resource" included technologies such as waste heat to power systems ("WHP") and qualified combined heat and power systems ("CHP"), though Section 1-75(c) of the IPA Act contains no language authorizing programs or procurement activity to procure RECs from WHP and CHP systems.[72] Instead, Section 1-75(c)(1)(C) establishes targets only for the procurement of RECs from new wind and solar projects with an express objective for "the goals in subparagraph (B) of this paragraph (1)"—the percentage-based RPS goals—be "met entirely by procurements of renewable energy credits from new wind and photovoltaic projects." Amendments to Section 1-75(c)(1)(C)(i) under P.A. 103-0380, effective January 1, 2024, instruct the Agency to procure 45% of those RECs "from wind and hydropower projects[.]" As a consequence, this Plan seeks the procurement of RECs only from wind and photovoltaic projects, as well as modernized or retooled hydropower projects, under revisions ~~recently~~ made to the IPA Act through P.A. 103-0380.

2.5.2.2 Eligible Projects—Locational

~~Section 1-75(c)(1)(I) provides that a generating facility's RECs are no longer prioritized based on location; instead, the facility either qualifies for the Illinois RPS, or it does not. Outside of language specific to RECs associated with qualifying Illinois-based high-voltage direct current ("HVDC") converter stations, this approach was maintained through P.A. 102-0662.~~

Section 1-75(c)(1)(I) provides that the Plan must be designed "to maximize the State's interest in the health, safety, and welfare of its residents, including but not limited to minimizing sulfur dioxide, nitrogen oxide, particulate matter and other pollution that adversely affects public health in this State, increasing fuel and resource diversity in this State, enhancing the reliability and resiliency of the electricity distribution system in this State, meeting goals to limit carbon dioxide emissions under federal or State law, and contributing to a cleaner and healthier environment for the citizens of this State." While the statute determines that a facility located in-state does this, the Agency also "may qualify renewable energy credits from facilities located in states adjacent to Illinois if the generator demonstrates and the Agency determines that the operation of such facility or facilities will help promote the State's interest in the health, safety, and welfare of its residents" based on this public interest criteria. Facilities in non-adjacent states generally cannot produce RECs for satisfying the Illinois RPS.

The Agency's discussion of how to apply these criteria to adjacent state facilities, as well as a listing of which states are considered "adjacent" to Illinois, can be found in Chapter 4.

2.5.2.3 Eligible Projects—Cost Recovery

Through Section 1-75(c)(1)(J), RECs from "a generating unit whose costs were being recovered through rates regulated by this State or any other state or states on or after January 1, 2017" are not eligible for the Illinois RPS. The statute's stated rationale behind this prohibition is to "promote the competitive development of renewable energy resources in furtherance of the State's interest in the health, safety, and welfare of its residents."

[72] These changes to the definition of "renewable energy resource" may nevertheless be impactful in other contexts. For example, by expressly including CHP and WCP technologies in Section 1-10's definition of "renewable energy resources," RECs from those systems may be eligible for use by retail electric suppliers for "green" or "renewable" retail supply offers to Illinois businesses and residents.

In application, the Agency understands this limitation does not apply to municipal utilities or rural cooperatives that effectively serve as vertically-integrated utilities ~~(as while~~because, although they can achieve full cost recovery for generating facilities through rates, their rates are in most cases not regulated by "this state or any other state or states~~").~~." [73] The above provision would bar a solar project from being eligible for the Illinois RPS if its costs are recovered by a *non-electric* utility (e.g., water, gas, telecommunications) regulated by the Illinois Commerce Commission (or by another state).

The law also offers more punitive consequences if a non-regulated rate facility becomes a regulated rate facility after the execution of an Illinois RPS contract. In such a situation, the contract must be terminated and "the supplier of the credits must return 110% of all payments received under the contract," with those payments then being used for the procurement of additional RECs from new wind or photovoltaic generation in the Agency's next procurement event.[74] Contracts developed for the Agency's programs and procurements have contained provisions reflecting this penalty.

The Agency's approach to these issues is discussed in Chapter 4.

2.5.2.4 Installer & Labor Requirements

Certain facilities seeking to participate in the RPS are also subject to an installer qualification requirement. Specifically, RECs from "new photovoltaic projects or new distributed renewable energy generation devices . . . must be procured from devices installed by a qualified person in compliance with the requirements of Section 16-128A of the Public Utilities Act ~~and any rules or regulations adopted thereunder."[75]~~

."[76] The Illinois Commerce Commission has adopted administrative rules for the certification of utility-scale and distributed generation installers under Section 16-128A of the PUA.[77] The Commission has specifically defined the terms "qualified person" and "install" for both categories of projects. Any entity seeking to develop new photovoltaic projects in Illinois should be aware of the Commission's Part 461 rules (governing installers of utility-scale photovoltaics), Part 468 rules (governing distributed generation installers) and the certification process more generally.

Per Section 1-75(c)(1)(Q)(1) of the Act and Section 1-56(b-15) ~~newly enacted~~as revised under P.A. 103-0188, most new projects supported under the Illinois RPS must meet Prevailing Wage Act requirements including, but not limited to, paying the prevailing wage to workers engaged in the construction of new renewable energy facilities. Exceptions to these requirements exist for previously-waitlisted Large DG projects applied to the Illinois Shines program prior to the enactment of P.A. 102-0662, "houses of worship" where project capacity would not exceed 100 kilowatts, and "projects that serve single-family or multi-family residential buildings." Additional information on the IPA's approach to ensuring Prevailing Wage Act compliance can be found in Chapter 5, Chapter 7, and Chapter 8.

[73] 20 ILCS 3855/1-75(c)(1)(J).

[74] Id.

~~[75] 20 ILCS 3855/1-75(c)(7).~~

[76] 20 ILCS 3855/1-75(c)(7).

[77] 83 Ill. Adm. Code § 461, 468.

Under Section 1-75(c)(1)(Q)(2) of the IPA Act, new utility-scale wind, utility-scale solar, ~~and~~ brownfield site photovoltaic, retooled hydropower, and repowered wind projects that receive incentives must also be "built by general contractors that must enter into a project labor agreement, as defined by this Act, prior to construction." Section 1-10 of the Act defines a project labor agreement as "a pre-hire collective bargaining agreement that covers all terms and conditions of employment on a specific construction project," and includes provisions on the minimum hourly wage and benefits and compensation, barring strikes or lockouts, and setting targets for apprenticeship and total work hours performed by women and minorities.

Additional information on the submission of project labor agreements for projects participating in the IPA's competitive procurements can be found in Chapter 5.

2.5.3 Compliance Mechanism: RECs vs. Energy

Section 1-75(c)(1)(B) of the IPA Act requires that the Plan "~~shall~~ include the goals for procurement of renewable energy credits," and not the energy itself, to meet the statute's procurement targets. Using RECs as a compliance mechanism for Illinois renewable energy procurement targets makes intuitive sense: while the IPA conducts renewable energy planning and procurement processes to meet goals and targets applicable to *all retail customer* load,[78] its energy procurements still focus only on "eligible retail customer" load—thus creating a disconnect between the universes of supply requirements served by these two planning processes.

2.5.4 RPS Funding and Rate Impact Cap

The RPS budget to procure RECs is limited by a rate impact cap, which prohibits increases on retail customers' electricity bill rate above a certain threshold. Specifically, "the total of renewable energy resources procured under the procurement plan for any single year . . . shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than 4.25% of the amount paid per ~~kilowatthour~~kilowatt-hour by those customers during the year ending May 31, 2009."[79] That resulting rate impact cap "produces an annual REC procurement budget for the "costs of those resources" in a given year.[80]

Through the budgets established under the rate impact cap and the associated tariffs for the collection of funds, the applicable electric utility "shall be entitled to recover all of its costs associated with the procurement of renewable energy credits" under the Plan, including "associated reasonable expenses for implementing the procurement programs, including, but not limited to, the costs of administering and evaluating the Adjustable Block program."[81] As a result, annual procurement

[78] Specifically, the IPA's long-term renewable resources procurement plan shall include renewable resource procurement for 100% of retail customer load beginning with the delivery year beginning June 1, 2019, after procuring for an increasing portion of retail customer load for the prior two delivery years. See 20 ILCS 3855/1-75(c)(1)(B).

[79] 20 ILCS 3855/1-75(c)(1)(E).

[80] The exception referenced above in Section 1-75(c)(1)(H) serves to reduce available budgets, as "the charges that would otherwise be applicable to the retail customers of the alternative retail electric supplier . . . shall be reduced by the ratio of the quantity of renewable energy credits supplied by the alternative retail electric supplier compared to that supplier's target renewable energy credit quantity." Similarly, bill crediting under Section 1-75(c)(1)(R)'s large customer self-direct RPS compliance program serves to reduce available budgets as well.

[81] 20 ILCS 3855/1-75(c)(6).

budgets based only on REC costs would be inaccurate, and some estimate of associated administrative expenses must be taken into account.

Section 16-108(k) of the PUA requires utility tariffs, which authorize RPS charges on ratepayers, to allow for a given delivery year's unspent budget amounts to be "rolled over" for later delivery years' expenditures. RPS collections under Section 16-108(k) in a given year "may be spent by the utility for the procurement of renewable resources over any of the following 5 delivery years," with first priority in expenditure assigned to "money collected in earlier delivery years that has not yet been returned to customers." Relatedly, any amounts eligible for refund shall be reduced by the payment obligations required by any existing REC contracts. These provisions ensure that the full amount of collections authorized under Section 1-75(c)(1)(E) are leveraged to support new renewable energy projects. Further discussion of how these changes impact the Agency's annual estimates of RPS budgets can be found in Chapter 3.

2.6 Quantitative New Build Targets of the RPS

Section 1-75(c)(1)(B) of the IPA Act sets percentage goals for RECs as a percentage of applicable retail customer load, and within those umbrella requirements sets more specific requirements based on type of generating technology, which are prioritized above the percentage-based goals.

Section 1-75(c)(1)(C) requires the procurement of a minimum number of RECs delivered annually from "new wind projects" and "new photovoltaic projects."

2.6.1 Quantitative Procurement Requirements

Section 1-75(c)(1)(C)(i) establishes aggressive targets for the quantity of RECs procured from "new" solar and wind projects: "10,000,000 renewable energy credits delivered annually by the end of the 2021 delivery year, and increasing ratably to reach 45,000,000 renewable energy credits delivered annually from new wind and solar projects by the end of delivery year 2030." Of that ~~10~~45 million RECs, ~~45%~~the Agency shall ~~come~~endeavor to procure 45% from wind and, effective January 1, 2024 under P.A. 103-0380, hydropower projects; ~~the remaining 55%~~ and shall ~~come~~ procure at least 55% from photovoltaic projects. Of the photovoltaic project portion, the Agency shall procure "at least 50%" from the Illinois Shines program, "at least 47%" from utility-scale solar projects, and "at least 3%" from non-community solar brownfield site photovoltaic projects. P.A. 103-1066 updated Section 1-75(c)(1)(C)(i), authorizing the Agency to "propose adjustments to these percentages, including establishing percentage-based goals for the procurement of renewable energy credits from modernized or retooled hydropower facilities and repowered wind projects, through its long-term renewable resources plan ... as necessary based on developer interest, market conditions, budget considerations, resource adequacy needs, or other factors."

Consistent with RPS implementation across 2017-2021 and previous iterations of the Long-Term Plan, the Agency interprets this "at least 50%" concept to be in terms of RECs (as opposed to budget or installed capacity), and as applied to the quantitative target amounts listed in the law—and not necessarily 50% of the overall number of RECs procured.

The Agency has made meaningful progress toward meeting these totals through prior RPS procurement activity from "new" projects, with millions of RECs already under contract to be delivered annually from new wind and new photovoltaic projects. Further discussion of this progress

can be found in Chapter 3 of this Plan, while the Agency's discussion of competitive procurements for meeting these targets can be found in Chapter 5.

2.6.2 Definitions of "~~New~~new wind project" and "new photovoltaic project"

The statute provides definitions of a "new wind project" and a "new photovoltaic project." A "new photovoltaic project" is a "photovoltaic renewable energy facilit[y] that [is] energized after June 1, 2017."[82] Projects developed under Section 1-56 of the IPA Act (i.e., supplemental photovoltaic and Illinois Solar for All projects) are not eligible to meet quantitative "new photovoltaic project" targets.[83] A "new wind project" under P.A. 102-0662 is defined as a "wind renewable energy facilit[y] that [is] energized after June 1, 2017 for the delivery year commencing June 1, 2017."[84]

Both definitions raise the question of what constitutes a facility being "energized," which is, unfortunately, not defined through the law. Previously, the Agency settled on a definition of "energized" as being "the date by which the System has been turned on for a period of 24 consecutive hours and is operational for purposes of generating electricity regardless of whether the system has registered with a REC tracking system." Parties could then substantiate a system's energization through a certification accompanied by the submission of various forms establishing a system's energization timeline. The Agency notes that the Illinois Shines program and the Illinois Solar for All program feature prepayment for some, or all, of the RECs from a system upon energization. Therefore, as discussed in Chapters 7 and 8, consideration is also given to a system being registered in a tracking system to generate RECs in addition to the date on which interconnection to the utility was approved.

2.6.3 Definition of "Hydropower"

Public Act 103-0380, effective January 1, 2024, amended the IPA Act to expand the scope of the required procurement of RECs from new renewable energy sources to include RECs from hydropower electric generation sources. Specifically, Section 1-20(a)(2.15) now authorizes the IPA to "[o]versee the procurement by electric utilities of renewable energy credits from newly modernized or retooled hydropower dams or dams that have been converted to support hydropower generation." Notably, this new directive is limited to RECs from "newly modernized or retooled hydropower;" P.A. 103-0380 removed the language in Section 1-10 excluding hydropower from "significant expansion" of existing dams from the IPA Act's definition of "renewable energy resources," but maintained the exclusion of hydropower from "new construction of dams." Section 1-10 as amended by P.A. 103-0380 now defines "modernized" or "retooled" as "the construction, repair, maintenance, or significant expansion of turbines and existing hydropower dams."

2.6.4 Definition of "Repowered Wind"

Section 1-75(c)(1)(C) as amended by P.A. 103-1066 now defines "repowered wind projects" as utility-scale wind projects featuring the removal, replacement or expansion of turbines at an existing project site. Further, renewable energy contract awards used to support repowered wind projects

[82] 20 ILCS 3855/1-75(c)(1)(C)(iii).

[83] Id.

[84] 20 ILCS 3855/1-75(c)(1)(C). (Emphasis added.)

"shall only cover the incremental increase in facility electricity production resultant from repowering."[85]

~~2.6.4~~2.6.5 Forward Procurements Conducted Outside of This Plan

Independent of (and, in some cases, prior to) the development of the Initial Plan, P.A. 99-0906 required the IPA to conduct "initial forward procurements" of RECs "from new utility-scale wind projects" and "from new utility-scale solar projects and brownfield site photovoltaic projects."[86] Conducted through competitive procurement processes subject to applicable requirements of Section 16-111.5 of the PUA, the Initial Forward Procurement sought 15-year REC delivery contracts set to begin delivery on June 1, 2019 at the earliest and—initially—June 1, 2021 at the latest (that deadline has since been extended to June 1, 2022 through Public Act 101-0113 in the case of certain development risks). For both wind and solar, the targeted overall REC procurement quantities were 1,000,000 RECs delivered annually from each generating technology, with a single wind procurement event required to take place within 160 days of June 1, 2017 and the solar procurement potentially conducted across multiple procurement events up to one year after June 1, 2017.[87]

In a similar manner, Section 1-75(c)(1)(G)(iii) required that the Agency "conduct at least one subsequent forward procurement for renewable energy credits from new utility-scale wind projects, new utility-scale solar projects, and new brownfield site photovoltaic projects within 240 days" after the effective date of P.A. 102-0662. The statutory requirement for completion of this procurement event was May 13, 2022. The procurement quantity for this "subsequent forward procurement" is "quantities necessary to meet the requirements of subparagraph (C) of this paragraph (1) through the delivery year beginning June 1, 2021," which required certain interpretive decisions around what REC quantities are required from which project categories through this subsequent forward procurement event to meet Section 1-75(c)(1)(C)'s "10,000,000 renewable energy credits delivered annually by the end of the 2021 delivery year" target quantity. As those decisions establishing procurement quantities for this procurement could not be made through this Plan from a timing standpoint, they are outside of the scope of the Plan.

Section 1-75(c)(1)(G)(i) and (ii) of the Act expressly provide that RECs procured through the Initial Forward Procurement "shall be included in the Agency's Long-Term Renewable Resources Procurement Plan and shall apply to all renewable energy goals"[88] found in Section 1-75(c) of the IPA Act, including the quantitative "new wind" and "new photovoltaic" targets discussed above. While not expressly stated, the same must be true for those procurement events conducted pursuant to Section 1-75(c)(1)(G)(iii), as those procurements are required to be sized so as to meet Section 1-75(c)(1)(C)'s requirements. The Agency's procurement quantities for the Initial Forward Procurements and for this pre-2022 Plan/post-P.A. 102-0662 subsequent forward procurement event are reflected in Chapter 5.

Section 1-75(c-5) of the Act also requires the Agency to "conduct procurement events . . . of renewable energy credits from new renewable energy facilities to be installed at or adjacent to the sites of electric generating facilities that, as of January 1, 2016, burned coal as their primary fuel source" and

[85] 20 ILCS 3855/1-75(c)(1)(C)(iii).

[86] 20 ILCS 3855/1-75(c)(1)(G)(i), (ii).

[87] Id.

[88] Id.

meet other specified criteria (including the development of on-site storage projects). While this "coal-to-solar" procurement is not covered by this Long-Term Plan, RECs procured by Illinois electric utilities serving more than 300,000 customers through REC delivery contracts resulting from coal-to-solar procurements "may be included or counted for purposes of compliance with the amounts of renewable energy credits required to be procured" pursuant to Section 1-75(c) "to the extent that there are otherwise shortfalls in compliance with such requirements." Additional information about the coal-to-solar procurement process can be found on the IPA Procurement Administrator's website~~: https://www.ipa-energyrfp.com/coal-to-solar/.~~.[89]

~~2.6.5~~2.6.6 Competitive Procurements Proposed Through This Plan

To meet the aggressive targets set forth by Section 1-75(c)(1)(C) of the Act for wind and hydropower, utility-scale solar, and brownfield site photovoltaic projects, additional procurement events will need to be scheduled in the years ahead.

RECs under contract from competitive procurements conducted to date are included in tables found in Chapter 3, while further discussion of competitive procurement events including proposed future competitive procurements can be found in Chapter 5.

~~2.6.5.1~~2.6.6.1 Indexed REC Price Structure

Section 1-75(c)(1)(G)(v) of the Act requires that "for all competitive procurements and any procurements of renewable energy credit [*sic*] from new utility-scale wind and new utility-scale photovoltaic projects," an Indexed REC price structure must be used. Under this structure, bidders offer a "strike price" defined as "a contract price for energy and renewable energy credits," akin to an all-in price for RECs and energy. The resulting REC price constitutes "the difference resulting from subtracting the strike price from the index price for that settlement period," with the index price representing "the real-time energy settlement price at the applicable Illinois trading hub." Under the law, "[i]f this difference results in a negative number, the [buyer] shall owe the seller the absolute value multiplied by the quantity of energy produced in the relevant settlement period." But "[i]f this difference results in a positive number, the seller shall owe the [buyer] this amount multiplied by the quantity of energy produced in the relevant settlement period."[90] Assumed capacity revenues are not recognized in the Indexed REC pricing structure.

Additional discussion of the Indexed REC price structure is presented in Chapter 5.

~~2.6.5.2~~2.6.6.2 Bid Evaluation in Competitive Procurements

Section 1-75(c)(1)(P) requires the Agency to develop "a method to optimize procurement of renewable energy credits from proposed utility-scale projects that are located in communities eligible to receive Energy Transition Community Grants pursuant to Section 10-20 of the Energy Community Reinvestment Act."

If the need to optimize selection of projects in Energy Transition Community Grant eligible communities "conflicts with other provisions of law," or if compliance "would be unreasonably costly or administratively impractical," the Agency may a) propose alternative approaches to achieve the

[89] https://www.ipa-energyrfp.com/coal-to-solar/.

[90] 20 ILCS 3855/1-75(c)(1)(G)(v)(1).

same ends or b) seek an exemption from this requirement from the ICC, presumably through this Plan approval process. Additional discussion of this Energy Transition Community Grant optimization requirement can be found in Chapter 5.

Section 1-75(c-10)(3) requires that, through this Plan, the Agency "develop requirements for ensuring that competitive procurement processes, including utility-scale solar, utility-scale wind, and brownfield site photovoltaic projects, advance the equity goals" of subsection (c-10). To comply with this Section 1-75(c-10)(3) objective, the Agency must "develop bid application requirements and a bid evaluation methodology for ensuring that utilization of equity eligible contractors . . . is optimized." Application requirements may include requiring "that winning or successful applicants for utility-scale projects are or will partner with equity eligible contractors," while bid evaluation may require "giving preference to bids through which a higher portion of contract value flows to equity eligible contractors." Additional discussion of competitive procurements can be found in Chapter 5, while the Agency's approach to implementation of subsection (c-10) can be found in Chapter 10.

~~2.6.5.3~~2.6.6.3 Alternatives for Brownfield Site Photovoltaic Projects

Section 1-75(c)(1)(C)(i) authorizes the Agency to "consider other approaches, in addition to competitive procurements, that can be used to procure renewable energy credits from brownfield site photovoltaic projects." This allows for a shift away from competitive procurements and to an alternative structure—whether through a fixed-price, open-enrollment program akin to the Illinois Shines program; an application process with qualitative criteria utilized to score projects similar to how community-driven community solar operates; or something else altogether—to award REC delivery contracts to proposed brownfield site photovoltaic projects. Further discussion of this language is found in Chapter 5; this Plan will continue utilization of competitive procurements for supporting brownfield site photovoltaic projects. Future plans may evaluate the success of the competitive procurement approach relative to "other approaches" and propose modifications to this model.

2.7 Illinois Shines Program

As referenced above, unless otherwise proposed in this Plan, at least 50% of the quantitative new photovoltaic project target found in Section 1-75(c)(1)(C) of the IPA Act shall be procured "from solar photovoltaic projects using the program outlined in subparagraph (K) of this paragraph (1) from distributed renewable energy generation devices or community renewable generation projects"—i.e., using the Illinois Shines program.

At its core, the Illinois Shines program is perhaps most notable for what it is not: it is not a "competitive procurement event" using "pay as bid" pricing with selection of bids based on price, as discussed in the Section above. Nor is it a project selection process through which the winning bidder is determined by public interest criteria. Instead, the Illinois Shines program provides "a transparent annual schedule of prices and quantities to enable the photovoltaic market to scale up and for renewable energy credit prices to adjust at a predictable rate over time."[91] Stated differently, a party seeking a REC contract—such as a solar project developer—knows the REC price in advance and generally when and how that price may change.

[91] 20 ILCS 3855/1-75(c)(1)(K).

The Illinois Shines program must include "a single block of nameplate capacity, a price for renewable energy credits within that block, and the terms and conditions for securing a spot on a waitlist once the block is fully committed or reserved."[92] Through changes made via P.A. 102-0662, transitions between blocks now occur on an annual basis, rather than through one block opening automatically at a different price after the prior block's capacity is filled.

Thus, "for each category" (of which there are six) and "for each delivery year," the Agency is required to determine "the amount of generation capacity in each block, and the purchase price for each block"—with those blocks priced and sized to ensure that Section 1-75(c)'s REC procurement goals are met.

2.7.1 Illinois Shines Program—Projects

The Illinois Shines program broadly supports only two project types: photovoltaic distributed renewable energy generation (i.e., solar DG), and photovoltaic community renewable generation projects (i.e., community solar[93]).

Under Illinois law, a photovoltaic distributed renewable energy generation device must be:

(1) powered by photovoltaics;
(2) interconnected at the distribution system level of either an electric utility as defined in this Section, a municipal utility as defined in this Section that owns or operates electric distribution facilities, or a rural electric cooperative as defined in Section 3-119 of the Public Utilities Act (and thus, must be located in Illinois to be interconnected to such an entity); and
(3) located on the customer side of the customer's electric meter and is primarily used to offset that customer's electricity load.[94]

The Agency previously received inquiries from representatives of public university "utilities" (which also serve as retail customers of electric utilities) about whether a distributed renewable energy device technically interconnected to that university utility system, but offsetting the electricity load from a university building that would otherwise need to be purchased by the university as a distribution customer of an electric utility, would qualify for the Illinois Shines program. Under the Illinois Commerce Commission's Order in Docket No. 22-0231, assuming the public university is indeed a retail customer of an electric utility (or otherwise takes retail electric service from a municipal utility or rural electric cooperative), a system interconnected in this manner may qualify for the Illinois Shines program under the above definition.[95]

Under Illinois law, a photovoltaic community renewable generation project:

(1) is powered by photovoltaics;

[92] Id.

[93] There are other forms of community solar recognized by Illinois law, including (A) properties owned or leased by multiple customers that contribute to the operation of an eligible renewable electrical generating facility, and (B) individual units, apartments, or properties located in a single building that are owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility. 220 ILCS 5/16-107.5(l)(1). These forms of community solar are not eligible for the Illinois Shines program.

[94] 20 ILCS 3855/1-10.

[95] Final Order at 4, ICC Docket No. 22-0231 (Jul. 14, 2022).

(2) is interconnected at the distribution system level of an electric utility as defined in this Section, a municipal utility as defined in this Section that owns or operates electric distribution facilities, a public utility as defined in Section 3-105 of the Public Utilities Act, or an electric cooperative, as defined in Section 3-119 of the Public Utilities Act (and thus, must be located in Illinois to be interconnected to such an entity);
(3) credits the value of electricity generated by the facility to the subscribers of the facility; and
(4) is limited in nameplate capacity to less than or equal to 5,000 kilowatts.[96]

Only new projects—those "energized on or after June 1, 2017"—are eligible for participation in the Illinois Shines program.

The Illinois Shines program provides for six separate project categories at the following levels:

(1) At least 20% from distributed renewable energy generation devices with a nameplate capacity of no more than 25 kilowatts;
(2) At least 20% from distributed renewable energy generation devices with a nameplate capacity of more than 25 kilowatts and no more than 5,000 kilowatts;[97]
(3) At least 30% from community solar projects;[98]
(4) At least 15% from distributed renewable generation devices or community solar projects installed on public school land;[99]
(5) At least 5% from community-driven community solar projects intended to provide more direct and tangible connection and benefits to the communities which they serve;
(6) At least 10% from distributed renewable energy devices or community solar projects submitted by applicants that are equity eligible contractors.[100]

Section 1-75(c)(1)(K)(vi) requires the Agency, over time, to propose to increase the percentage in the Equity Eligible Contractor category to 40% based on factors including the number of equity eligible contractors and capacity used in that category in previous delivery years. That 40% is achieved through a commensurate reduction in the percentage shares applicable to other categories. The allocation to the Equity Eligible Contractor category for the years governed by this Plan is outlined in ~~Section~~Chapter 7.~~3.3.~~

Additional information on project qualification and selection for each of the six categories of the Illinois Shines program can be found in Chapter 7.

Section 1-75(c)(1)(Q) provides that certain projects receiving a REC contract through the Illinois Shines program "shall be subject to the prevailing wage requirements included in the Prevailing Wage Act." Exceptions include projects serving "single-family or multi-family residential buildings"

[96] Id.

[97] The Agency may create sub-categories within this category to account for the differences between projects for small commercial customers, large commercial customers, and public or non-profit customers.

[98] This category shall open "[s]tarting in the third delivery year after the effective date of this amendatory Act of the 102nd General Assembly or earlier if the Agency determines there is additional capacity needed for to meet previous delivery year requirements." 20 ILCS 3855/1-75(c)(1)(K)(iii).

[99] The Agency may also create subcategories within this category to account for the differences between project size or location, and projects located within environmental justice communities or within Organizational Units that fall within Tier 1 or Tier 2 shall be given priority. P.A. 103-0580 updated Section 1-75(c)(1)(K)(iii) of the IPA Act to require that these projects be located "at public schools" to "on public school land."

[100] 20 ILCS 3855/1-75(c)(1)(K).

or "houses of worship where the aggregate capacity including collocated projects would not exceed 100 kilowatts."[101]

The law also provides that the Illinois Shines program shall ensure that RECs are procured from "projects in diverse locations and are not concentrated in a few geographic areas."[102] The Agency has found that the Program generally features very strong geographic diversity. Some exceptions certainly exist—for instance, while community solar projects look well-dispersed on a map of the state, development has almost exclusively occurred in less populated rural areas featuring lower land cost—but the IPA has generally been pleased with the degree to which the tens of thousands of projects supported to date demonstrate geographic diversity.

Moving forward, the Agency commits to continue monitoring the locations of proposed and completed projects. The Agency publishes a map on its Illinois Shines program website providing project location by zip code.[103] Further discussion of the geographic diversity of Illinois Shines program projects is found in Chapter 7.

2.7.2 Illinois Shines Program—Contracts

Section 1-75(c)(1)(L) sets forth certain requirements applicable to REC delivery contracts entered into through the Illinois Shines program. The delivery term for a REC delivery contract under the Program is 15 years or 20 years in length depending on Illinois Shines program category. Payment for RECs is made by (and RECs are delivered to) the applicable electric utility, as the Buyer counterparty (which must then retire the RECs), and payment must occur according to the following schedule:

- DG systems of no more than 25 kW: contract value paid in full upon verification by the Program Administrator of energization.[104] The contract is for 15 years.[105]
- Large DG systems (25 kW - 5MW) and community-driven community solar projects: 15% of the contract value paid upon verification of energization by the program administrator, with the remaining portion paid ratably over 6 years. The contract is for 15 years.[106]
- Traditional community solar projects and public school projects: a 20-year contract paid over the delivery term, "not to exceed during each delivery year the contract price multiplied by the estimated annual renewable energy credit generation amount."[107]
- Equity Eligible Contractor category: contract contains the payment terms applicable to the category in which the system would otherwise fall. For example, a Small DG system block would receive a 15-year REC delivery contract with full payment upon energization. However, these contracts may also feature an advance of capital before energization based on a

[101] 20 ILCS 3855/1-75(c)(1)(Q)(1)(vii).

[102] 20 ILCS 3855 1/75(c)(1)(K).

[103] See: https://illinoisshines.com/project-map/.

[104] 20 ILCS 3855/1-75(c)(1)(L)(ii). The Agency understands this provision to mean that a system of exactly 25 kW in size would be included in this category.

[105] All prepayment remains subject to the amounts collected by the utilities under its Section 16-108(k) tariffs, however, and other available funds (such as alternative compliance payments). (See Section 1-75(c)(1)(L)(vii)).

[106] 20 ILCS 3855/1-75(c)(1)(L)(iii).

[107] 20 ILCS 3855/1-75(c)(1)(L)(iv).

demonstration of qualification or need.[108] Details on the advance of capital available to qualified applicants is outlined in Chapter 7.

Prepayment poses unique challenges. While RECs are required to be delivered when generated to meet annual utility compliance obligations, prepayment reduces the incentive to actually deliver RECs. On this point, the law requires that each contract "shall include provisions to ensure the delivery of the estimated quantity of renewable energy credits and ongoing collateral requirements and other provisions deemed appropriate by the Agency."[109]

This Plan's approach to Illinois Shines program contracts generally, as well as to the clawback provisions, collateral requirements, and other contract elements intended to ensure REC delivery can be found in Chapter 7.

2.7.3 Illinois Shines Program—Midstream Changes

Unlike a competitive procurement process, through which changes in market conditions may be reflected in bidders' bids, the Illinois Shines program requires that the Agency project future market conditions through establishing annual block sizes and prices.

Outside of biennial Long-Term Plan revisions, the law envisions changes to block pricing and capacity potentially occurring in two ways: first, the Agency "may periodically review … the amount of generation capacity in each block, and the purchase price for each block, and may propose, on an expedited basis, changes to these previously set values" subject to the Section 16-111.5 plan revision process.[110]

Second, "[p]rogram modifications to any block price that do not deviate from the Commission's approved value by more than 10% shall take effect immediately and are not subject to Commission review and approval."[111] ~~The Agency interprets this threshold as a 10% change based on the last formally approved (i.e., through revision of the Plan) price for that particular annual block.~~Discussion around how to interpret and apply this provision can be found in Chapter 7.

Section 1-75(c)(1)(M) of the Act requires that the Agency "consider stakeholder feedback when making adjustments to the Adjustable Block design" and "notify stakeholders in advance of any planned change." Likewise, the law requires that "[t]he Agency and its consultant or consultants shall monitor block activity, share program activity with stakeholders and conduct quarterly meetings to discuss program activity and market conditions." To date, the Agency has sought stakeholder feedback for the development of key program requirements or new forms and documents; such documents are published on the program website (https://illinoisshines.com/) and new requirements are incorporated into the Illinois Shines Program Guidebook.[112] The program website

[108] 20 ILCS 3855/1-75(c)(1)(K)(vi).

[109] 20 ILCS 3855/1-75(c)(1)(L)(v).

[110] 20 ILCS 3855/1-75(c)(1)(K).

[111] 20 ILCS 3855/1-75(c)(1)(M).

[112] The presently effective Guidebook can be found here: https://illinoisshines.com/wp-content/uploads/2023/06/Current-Program-Guidebook_May_31_2023.pdf and prior editions of the Guidebook can be found here: https://illinoisshines.com/program-documents/.

also features a program dashboard updated daily to provide stakeholders with daily data on block activity,[113] and a map of projects supported through the program to date.[114]

2.7.4 ~~-~~Illinois Shines Program—Consumer Protection

In its Initial Plan, the Agency proposed and the Commission approved several consumer protection measures constituting terms, conditions, and requirements for the receipt of state-administered incentive funds under the Illinois Shines program and Illinois Solar for All program. The Agency then developed an Approved Vendor registration and approval process, standardized disclosure forms, standardized program brochures, minimum contract requirements, and marketing requirements, all updated periodically since.

Revisions made to Section 1-75(c)(1)(M) of the Act memorialized, reinforced, and expanded the Agency's consumer protection responsibilities~~. In addition to those items proposed through this Long-Term Plan or developed thereafter, these terms, conditions, and requirements include the following:~~ to include:

(i) A registration process and baseline qualifications for vendor approval, with a list of approved entities on each program's website. The Agency may also revoke a vendor's ability to participate upon a determination that the vendor failed to comply with contract terms, the law, or other program requirements.

(ii) Program requirements and minimum contract terms to ensure projects are properly installed and produce their expected amounts of energy, including on-site inspections and photo documentation. The Agency may bar Approved Vendors with a disproportionately high number of deficient systems from program participation.

(iii) Standardized disclosures to a customer prior to contract execution.

(iv) Establishment of Consumer Complaints Centers to accept complaints connected with the programs and a public database of complaints.

(v) An annual written report to the ICC documenting the frequency and nature of complaints and any enforcement actions taken in response to those complaints.

(vi) Regular meetings with the Office of the Attorney General, the ICC, consumer protection groups, and other interested stakeholders regarding consumer protection matters.

(vii) Referrals of complaints to the Office of the Attorney General, the Illinois Commerce Commission, or local, State, or federal law enforcement where appropriate.

The Agency understands these items to be minimum statutory consumer protection requirements applicable to the Illinois Solar for All program as well. The additional requirements found in Section 1-56(b) for ILSFA projects, sites, applicants, and customers create consumer protection requirements for the Illinois Solar for All program beyond those applicable to the Illinois Shines program. Additional information on consumer protection requirements can be found in Chapter 9.

[113] The Illinois Shines program block capacity dashboard can be found here: https://illinoisshines.com/project-status-and-capacity-dashboard/.

[114] The Illinois Shines project map can be found here: https://illinoisshines.com/project-map/.

2.7.5 Community Renewable Generation Projects

Section 1-75(c)(1)(N) of the IPA Act requires that the Agency "establish the terms, conditions, and program requirements for photovoltaic community renewable generation projects with a goal to expand renewable energy generating facility access to a broader group of energy consumers, to ensure robust participation opportunities for residential and small commercial customers and those who cannot install renewable energy on their own properties."[115] Section 1-75(c)(1)(N) allows the IPA to "consider whether community renewable generation projects utilizing technologies other than photovoltaics should be supported through State-administered incentive funding" and the Agency "may issue requests for information to gauge market demand."

Additional considerations applicable to community renewable generation projects and subscriptions are outlined below.

2.7.5.1 Portability and Transferability of Subscriptions

Section 1-75(c)(1)(N) provides that "subscriptions" to community renewable generation projects must be "portable" (i.e., retained by the subscriber even if the subscriber relocates within the same utility service territory) and "transferable" (i.e., a subscriber may assign or sell subscriptions to another person within the same utility service territory), though these concepts shall be "subject to reasonable limitations." ~~As additional projects energize and begin to cycle through subscribers, the Agency hopes to learn more about what considerations should inform the parameters of portability and transferability requirements.~~

2.7.5.2 Opt-Out Municipal Aggregation

Under opt-out municipal aggregation, municipalities may aggregate their residential and small commercial customer load and contract with an alternative retail electric supplier to supply those customers with "energy and related services" at a negotiated supply rate unless that customer expressly chooses to "opt-out" of the transaction. In the past, stakeholders have raised the question of whether community solar subscriptions may be eligible for execution via opt-out municipal aggregation authorized under Section 1-92 of the IPA Act. Under opt-out aggregation, the customer would be enrolled in the project without ever having offered its express consent to enrollment, potentially including never having received and executed required Program documents (such as the standard Disclosure Form outlining subscription terms and other crucial information about community solar).

For the Agency, its Disclosure Form requirements are fundamental to subscribers receiving standardized information. Those requirements constitute the backbone of the Agency's efforts to deliver uniform content about the rights and obligations under a ratepayer-funded program to everyday citizens. That standardized information and express acknowledgment by a subscriber is an essential form of education that must be provided to each individual participant to produce a transparent, positive experience in the IPA programs.

In Docket No. 19-0995, the Illinois Commerce Commission determined that any community solar subscription aggregation program (if legally possible) for a project participating in the Illinois Shines program or ILSFA would be required to ensure that every individual subscriber receives and

[115] 20 ILCS 3855/1-75(c)(1)(N).

executes an individualized standard Disclosure Form.[116] The Commission likewise agreed with the Agency that the question of whether opt-out municipal aggregation for community solar subscriptions is legally authorized under Section 1-92 of the IPA Act is an issue outside the scope of Plan approval, finding that "this proceeding is not the forum for the Commission to decide the legality of opt-out municipal aggregation for community solar subscriptions, as numerous interested stakeholders - such as the many municipalities that might be interested and the private brokers that might assist them in soliciting bids - would not behave been on notice that the issue iswas being decided." .[117]

Ahead of the Draft 2026 Long-Term Plan, the IPA again received feedback requesting the Agency provide an optional path for a pilot in order to create opportunities for opt-out municipal aggregation projects within its Programs. The Agency is declining to propose opt-out aggregation as a valid means of customer acquisition in its 2026 Plan. Such an approach raises public policy concerns, would require substantial modifications in permissible customer disclosure and onboarding requirements, and has already been directly addressed by the Commission through Plan approval litigation. It is also not clear to the Agency that this approach would be legally permissible. Furthermore, in the event that a project leveraging opt-out aggregation for subscriber acquisition participated in Illinois Shines, the Agency would need to lower subscriber acquisition costs within its REC Pricing Model, resulting in lower REC prices for those projects.

2.8 Illinois Solar for All Program

As described in Section 1-56(b) of the IPA Act, the Illinois Solar for All program "provides incentives for low-income distributed generation and community solar projects, and other associated approved expenditures" in order "to bring photovoltaics to low-income communities … to create a long-term, low-income solar marketplace throughout this State."

The Program shall also "maximize efficiencies and synergies available through coordination with similar initiatives, including the Adjustable Block program . . . energy efficiency programs, job training programs, and community action agencies." The Agency shall strive to support "projects across the breadth of low-income and environmental justice communities in Illinois, including both urban and rural communities," and "not concentrated in a few communities."

2.8.1 Illinois Solar for All—Overview

By offering more generous REC prices than the Illinois Shines program, the Illinois Solar for All program incents low-income-eligible residents (as well as non-profit and public facilities) to participate in solar projects, whether as a system owner, community solar project subscriber, or system host. Those RECs are retired by either the Agency or a utility to satisfy Section 1-75(c) compliance obligations just as with the other procurements and programs described above, while the higher incentive helps grow the low-income-eligible solar marketplace and ensure more equitable access to the benefits of clean energy. The Agency also may offer full contract prepayment or otherwise relax (or enhance) requirements in recognition of the unique challenges facing low-income project development within this program.

[116] Final Order at 7, ICC Docket No. 19-0995 (Feb. 18, 2020).

[117] Id.

While ~~the program~~Section 1-56(b) features no hard targets or goals for the quantity of RECs procured under the program, it does feature defined funding sources. First, Illinois Solar for All is funded through the Renewable Energy Resources Fund. As of the ~~finalization~~release of this ~~2024~~draft 2026 Plan ~~with the Commission~~ on ~~April 19, 2024~~August 15, 2025, the balance of the RERF was $~~103~~96.7 million. The $108.5 million balance of funds that had been transferred to the state's General Revenue Fund ($98.5 million) and Health Insurance Reserve Fund ($10 million) for liquidity purposes was fully repaid by late March 2022. The IPA considers any contractual obligations from the RERF pre-dating Illinois Solar for All (specifically, Supplemental Photovoltaic Procurement contracts) to be senior to any new obligations entered into through the Illinois Solar for All program,[118] and as of April 2024, approximately $16,800 in such prior obligations remain outstanding.[119] No additional Alternative Compliance Payments are due to be made into the RERF. Any further federal Greenhouse Gas Reduction Fund ("GGRF") Solar for All monies that IPA receives from the Illinois Finance Authority ("IFA") will be deposited in the RERF with approval from ICC through this 2026 LTP. The award allocated $11 million per year for five years for community solar projects and $10 million per year for three years for small residential projects. The IPA received $11 million for the first year of implementation in January 2025.

Second, Illinois Solar for All is funded through a portion of funds collected by the utilities under their Section 16-108(k) RPS tariffs for purchases made under Section 1-75(c) of the IPA Act. Under Section 1-75(c)(1)(O), the Plan "shall allocate up to $50,000,000 per delivery year to fund the programs, and the plan shall determine the amount of funding to be apportioned to the programs." ~~Every three years, an additional $10,000,000 shall also be provided to DCEO to implement workforce development programs authorized under Section 16-108.12 of the PUA; this also constitutes a change, as that funding had previously been allocated to ComEd for those programs (and on four-year intervals).~~

Under the Illinois Solar for All program, payments are made for RECs produced over 15 years "and shall be structured to overcome barriers to participation in the solar market by the low-income community."[120] The IPA Act authorizes a contract featuring an upfront payment for all RECs upon energization, giving the Agency flexibility in proposing contract structures.[121]

The counterparty to Illinois Solar for All contracts executed using RERF funds is the Agency, while the counterparty to contracts executed using utility funds is the applicable utility.

While the Act does not require an annual RERF budgetary allocation to ILSFA, the Agency continues to propose to allocate funds and consider project applications based on "program years," which track the same period of time as energy delivery years (June 1st of one year to May 31st of the following year). The Agency's budget allocations to individual ILSFA subprograms by program year are described in detail in Chapter 8.

[118] This appears to be the intent evident in Section 1-56(b) as well, as that section prefaces the percentage-based allocation of RERF funds with the qualifier "monies available in the Illinois Power Agency Renewable Energy Resources Fund and *not otherwise committed to contracts executed under subsection (i) of this Section*." (emphasis added).

[119] Supplemental Photovoltaic Procurement contracts were for the delivery of RECs for 5 years, with payment for RECs made upon delivery; the procurement's original budget was $30 million.

[120] 20 ILCS 3855/1-56(b)(3).

[121] Id.

In addition to payments for REC delivery contracts, the law provides that "[t]he Agency shall direct up to 5% of the funds available under the Illinois Solar for All Program to community-based groups and other qualifying organizations to assist in community-driven education efforts related to the Illinois Solar for All Program." Authorized grassroots education activities include "general energy education, job training program outreach efforts," and "other activities deemed to be qualified by the Agency," but "shall not be used to support the marketing by solar project development firms and organizations, unless such education provides equal opportunities for all applicable firms and organizations."[122] This funding of "up to 5% of the funds available under the Illinois Solar for All Program" includes any utility-collected funds. In implementation, the Agency has decided to award grassroots education contracts through a competitive RFP process, with those entities serving as subcontractors to the Agency's Illinois Solar for All Program Administrator and performing grassroots education activities under that master contract.[123]

In addition to grassroots education, "costs associated with procuring experts, consultants, and the program administrator . . . and related incremental costs, costs related to income verification and facilitating customer participation in the program, and costs related to the evaluation of the Illinois Solar for All Program" may be paid out of the RERF.[124] New proposals for how best to leverage grassroots education funding for solving barriers to ISLFA participation can be found in Chapter 8.

2.8.2 Illinois Solar for All—Sub-programs

Illinois Solar for All features four sub-programs (similar to the "categories" within the Illinois Shines program), each receiving statutorily determined portions of the Program budget. These percentages apply to both support from the RERF and from utility collections, although these allocations are merely initial percentages and may be altered "if the Agency, after receiving input through a stakeholder process," determines that any individual sub-program has not received sufficient project applications to fully utilize ILSFA funds. The requirements of these sub-programs are included below.

In addition to these four sub-programs, the Agency or a party may propose additional sub-programs through this Long-Term Plan. Such new sub-programs "may target market segments not specified above and may also include incentives targeted to increase the uptake of ~~nonphotovoltaic~~non-photovoltaic technologies by low-income customers, including energy storage paired with photovoltaics"—but only if "the Commission determines that [they] would provide greater benefits to the public health and well-being of low-income residents [than] supporting programs already authorized."[125]

Through P.A. 102-0662, the Low-Income Community Solar Pilot Project Program was struck from Section 1-56(b) (previously subparagraph (D)), while a new Low-Income Large Multifamily Solar Incentive Program took its place (within subparagraph (E)). REC delivery contracts, program requirements, and statutory requirements applicable to projects participating in that Pilot Project Program remain in effect, but the Agency will not conduct additional Low-Income Community Solar Pilot Project procurements.

[122] Id.

[123] More information on the Illinois Solar for All grassroots education process can be found here: https://www.illinoissfa.com/grassroots-education and in Section 8.15.5.

[124] 20 ILCS 3855/1-56(b)(3).

[125] 20 ILCS 3855/1-56(b)(4).

The Low-Income Single-Family and Small Multifamily Solar Incentive ("Residential Solar (Small)") sub-program "provide[s] incentives to low-income customers~~, either directly or through solar providers, ...~~ to increase the participation of low-income households in photovoltaic on-site distributed generation at residential buildings containing one to 4 units."[126] Section 1-56(b) combines the funding allocation for the Residential Solar (Small) sub-program and the corresponding Low-Income Large Multifamily Solar Incentive Program (described below), with the two sub-programs together allocated 35% of available funds.

Section 1-56(b)(2)(A) also includes a provision that "[c]ontracts entered into under this paragraph may be entered into with an entity that will develop and administer the program."[127] It is unclear how the administrator could leverage state funds for this use, and at present, all such contracts will be entered into between Approved Vendors (Sellers) and the State of Illinois or a participating utility (Buyers).

The Residential Solar (Small) sub-program also contains provisions on projects that demonstrate energy sovereignty (see Section 2.8.3.3 below), which supports "ownership of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, or community-based limited liability companies providing services to low-income households" that "ensure that local people have control of the project and reap benefits from the project over and above energy bill savings." The Agency has developed program and contract requirements to ensure faithful compliance with these objectives. Additional discussion of energy sovereignty can be found below, in Chapter 8, and in Appendix G.

The Agency shall also "make every effort" to ensure that Illinois Shines program solar providers can "easily participate" in Illinois Solar for All. The Agency's strategies for encouraging increased participation in the two low-income distributed generation sub-programs can be found in Chapter 8.

The Low-Income Community Solar Project Initiative ("Community Solar") incentivizes "the participation of low-income subscribers of community solar projects."[128] This sub-program is allocated 40% of available funding and requires that each participating project's developer "shall identify its partnership with community stakeholders regarding the location, development, and participation in the project."[129]

The third Illinois Solar for All sub-program funds "on-site photovoltaic distributed renewable energy generation devices to serve ~~the load associated with~~... not-for-profit customers and ... public sector customers taking service at public buildings."[130] The Non-Profit and Public Facilities sub-program operates similarly to Residential Solar (Small)—an incentive for on-site DG through a higher-priced REC contract—only with different eligibility requirements (not-for-profit customers and public sector customers taking service at public buildings). This sub-program is allocated 25% of available funding. As discussed further in Chapter 8, the IPA believes the spirit of the law requires a connection between eligible non-profits and public facilities and low-income communities. The Agency therefore requires that non-profits and public facilities be sited within and provide critical services to ~~low-~~

[126] 20 ILCS 3855/1-56(b)(2)(A).

[127] Id.

[128] 20 ILCS 3855/1-56(b)(2)(B).

[129] Id.

[130] 20 ILCS 3855/1-56(b)(2)(C).

income ~~or~~ -eligible communities, environmental justice communities, or a community adjacent to an income-eligible or environmental justice community in order to be eligible under ILSFA.[131]

The fourth sub-program, as listed in subparagraph (E) to Section 1-56(b), is the Low-Income Multifamily Solar Incentive ("Residential Solar (Large)"). This sub-program provides incentive funding "to increase the participation of low-income households in photovoltaic on-site distributed generation at residential buildings with 5 or more units." ~~This sub-program in one sense replaces the Low-Income Community Solar Pilot Project program previously offered under subparagraph (D), but can also be viewed as an expansion of the previous Low-Income Distributed Generation Incentive program – with that program now split into two separate sub-programs for residential projects (one for single family/small multifamily; one for large multifamily).~~ As stated above, the funding for this sub-program is combined with the Residential Solar (Small) sub-program, together allocated 35% of available funds.

2.8.3 Illinois Solar for All—Additional Requirements

Section 1-56(b) also requires that Solar for All REC contracts ensure "energy and economic benefits, at a level determined by the Agency to be reasonable, for the participating low income customer."[132] The Agency believes that this requirement is accomplished through multiple processes, in part through the higher REC price under Illinois Solar for All. The "energy benefits" for community solar and distributed generation projects are addressed though bill crediting and net metering provisions, over which the Agency has no jurisdiction. The consumer protections that apply to ILSFA ensure that income-eligible customers in fact receive the benefits promised them by installers, project developers, aggregators, or other intermediaries. Those specific requirements are discussed in more detail in Chapters 8 and 9.

Illinois Solar for All contracts must also "ensure the wholesale market value of the energy is credited to participating low-income customers or organizations,"[133] and that "tangible economic benefits flow directly to program participants, except in the case of low-income multi-family housing where the low-income customer does not directly pay for energy."[134] While the law does not define "tangible economic benefit" (or, for that matter, a "program participant"), the Agency will continue to require, consistent with the Commission Order approving the Initial Plan,[135] that total annual payments by the customer equal less than 50% of the annual first year estimated energy value to be received by the customer via net metering or bill crediting.

The law also requires that "an administrator shall facilitate partnering the companies that install solar panels with entities that provide solar panel installation job training."[136] The IPA understands this to mean its third-party Program Administrator should engage in such facilitation, and this is presently part of the ILSFA Program Administrator's scope of work.

[131] More information on what is presently required from qualifying non-profits and public facilities can be found here: https://www.illinoissfa.com/programs/nonprofit-organizations-and-public-agencies.

[132] 20 ILCS 3855/1-56(b)(2).

[133] Id.

[134] Id.

[135] Final Order at 150-151, ICC Docket No. 17-0838 (Apr. 3, 2018).

[136] 20 ILCS 3855/1-56(b)(2)(A~~),(), (~~B~~),(), (~~C), and (E).

Pursuant to P.A. 103-0188, projects submitted to Illinois Solar for All must ~~now~~ comply with the Prevailing Wage Act, mirroring the requirements in the Illinois Shines program. Section 1-56(b-15) of the IPA Act establishes exceptions for the same categories of projects exempt from the prevailing wage requirements of the Illinois Shines program serving residential buildings and "projects with an aggregate capacity of less than 100 kilowatts that serve houses of worship."

The law also directs that priority be given to projects that "demonstrate meaningful involvement of low-income community members in designing the initial proposal."[137] ~~Here again, the law provides no definition of "meaningful involvement," nor does it define a "low-income community member," and it is unclear whether this would be distinct from an "environmental justice community" or what constitutes a community "member."~~ The law further provides that "[a]cceptable proposals to implement projects must demonstrate the applicant's ability to conduct initial community outreach, education, and recruitment of low-income participants in the community;" again, the term "participants in the community" is undefined and entirely unclear, but the Agency does understand this language as providing that entities seeking to market installations or community solar subscriptions using Illinois Solar for All contracts must, at a minimum, be certified by the Agency and possess some baseline level of demonstrated competency. The Agency's approach to vendor certification through its Approved Vendor process is discussed further in Chapters 7 and 8.

2.8.3.1 Environmental Justice Communities

All four sub-programs also contain "a goal . . . that a minimum of 25% of the incentives for this program be allocated to community photovoltaic projects in environmental justice communities."[138] Other programs and state agencies now rely on the IPA's "environmental justice community" definition for their determinations of program and funding eligibility.

The Agency's approach to identifying "environmental justice communities" is discussed further in Chapter 8.[139]

2.8.3.2 Trainee Requirements

As growing the low-income solar market involves more than just making solar more affordable, the law also requires that projects "include job training opportunities if available," and that project developers coordinate with the job training programs proposed in the Workforce Development Plan produced through Section 16-108.12 of the PUA and through the Energy Transition Act.[140]

Section 1-56(b)(2) requires that, for all sub-programs, "the specific level of trainee usage" is to be determined through the Long-Term Plan. The Agency's approach to encouraging that projects use job trainees to help build the low-income solar marketplace is discussed further in Chapter 8.

2.8.3.3 Energy Sovereignty

Section 1-56(b)(2) encourages participation from more projects that demonstrate "energy sovereignty," which is not defined by the statute. The Residential Solar (Small) and (Large) and

[137] 20 ILCS 3855/1-56(b)(2).

[138] 20 ILCS 3855/1-56(b)(2)(A~~), (B), (C), and (~~)-(E).

[139] See https://www.illinoissfa.com/environmental-justice-communities.

[140] 20 ILCS 3855/1-56(b)(2).

Community Solar sub-program provisions contain express language requiring that the Agency reserve a "portion" of incentives for projects that facilitate energy sovereignty; the provision describing the Non-Profit and Public Facility sub-program directs the Agency to "consider additional program and contract requirements to ensure faithful compliance [with] preferences for projects designated to promote energy sovereignty."

As the Agency understands it, the primary objective in prioritizing projects that promote energy sovereignty is to ensure wealth-building for low-income communities. Energy sovereignty allows program participants to access project benefits above and beyond the financial savings and other direct benefits that traditional projects may offer to low-income Illinois residents. Section 1-56(b)(2) envisions two primary means for promoting energy sovereignty: 1) portions of a sub-program budget reserved for projects that promote energy sovereignty; and 2) higher REC prices for projects that promote energy sovereignty.

Appendix G of the 2024 Plan contains an analysis of the energy sovereignty concept, including what business models could be utilized to accomplish energy sovereignty and how those and other models may work within individual ILSFA sub-programs. Additional discussion of energy sovereignty requirements for Illinois Solar for All sub-programs can be found in Chapter 8.

2.8.3.4 Small and Emerging Businesses

Section 1-56(b)(2) encourages the Agency to "make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities, are able to participate in the Illinois Solar for All Program." The statute provides no definition for "small" or "emerging" business, but does list activities that would constitute such efforts: proactive support from the Program Administrator; different or preferred access to subprograms and customers identified by the administrator or grassroots educators, and different incentive levels. This Plan's approach to supporting small and emerging businesses under Illinois Solar for All can be found in Chapter 8.

Section 1-56(b)(2) requires that the IPA "report on progress and barriers to participation of small and emerging businesses in the Illinois Solar for All Program at least once a year." That report must be made available on the IPA's website and included with the Long-Term Plan in applicable years. The ~~Agency will~~IPA's first standalone ILSFA Small & Emerging Business report ~~on this information beginning~~was published in ~~2024.~~July 2025.[141]

2.8.4 Illinois Solar for All—Third-party Program Administrator

Section 1-56(b)(5) permits the Agency to retain a third-party program administrator (or administrators) through an RFQ/RFP solicitation and competitive bid process. The selection criteria and requirements must include, but are not limited to, "experience in administering low-income energy programs and overseeing statewide clean energy or energy efficiency services."

The Illinois Solar for All Program Administrator "may be, but need not be, the same administrator as for the Adjustable Block Program."[142] –Through this Plan, the Agency shall also determine "if

[141] https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250729-ilsfa-seb-report-2025.pdf.

[142] 20 ILCS 3855/1-56(b)(5).

individual subprograms of the Illinois Solar for All Program are better served by a different or separate Program Administrator."

In addition to the day-to-day administration of the Illinois Solar for All program (which includes review and approval of Approved Vendor and project applications, development and enforcement of program requirements, development of program materials and communications, interfacing with potential applicants, and related activities), the Program Administrator's responsibilities also include the following:

- Facilitating placement for graduates of Illinois job training programs, including the Clean Jobs Workforce Network Program and the Illinois Climate Works Pre-apprenticeship Program administered by the DCEO and programs administered under Section 16-108.12 of the Public Utilities Act;
- Developing a web-based clearinghouse for job training program graduates and firms participating in Illinois solar incentive programs; and
- Coordinating its activities with entities implementing electric and natural gas income-qualified energy efficiency programs, including customer referrals to and from such programs and sharing data, and connecting prospective low-income solar customers with any existing deferred maintenance programs where applicable.

2.9 Diversity, Equity, and Inclusion Requirements

Section 1-75(c-10) directs the IPA to ensure "priority access to the clean energy economy for businesses and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes." To advance that objective, Section 1-75 now includes five new subparagraphs.

The first element of the diversity and equity framework, Section 1-75(c-10), directs the Agency to develop an equity accountability system, which shall include: minimum equity standards applicable to all applicants to the Agency's renewable energy procurements under Section 1-75(c); the Equity Eligible Contractor category within the Illinois Shines program (see Chapter 7); and "equity prioritization for noncompetitive procurements" that advance the equity goals of the Act.

All applicants to the Illinois Shines program, the self-direct program, and bidders in the competitive Indexed REC procurements must meet a Minimum Equity Standard ("MES"), such that "at least 10% of the project workforce for each entity participating in a procurement program" qualify as equity eligible persons. The law requires that this percentage increases to 30% by 2030, with the annual increase determined by the Agency in this Plan. The law prohibits participation in Agency procurements and programs by an entity that failed to meet the MES in the prior delivery year, and Section 1-75(c-30) provides explicit authority for the Agency to deny participation or withhold certification as an Approved Vendor or Designee to enforce this standard.

The Agency interprets sub-section (c-10) and the Minimum Equity Standard as only applying to those renewable energy procurements and programs established through Section 1-75(c) of the Act, not to include the Illinois Solar for All program. Section 1-75(c-10) does not define "renewable energy procurements" but does specify that the MES applies to "each entity participating in a procurement program outlined in this subsection (c-10)." Elsewhere in (c-10), the law refers to "each entity participating in a procurement program of subsection (c) of this Section," and Section 1-75(c-30) provides that the penalty for non-compliance with (c-10) shall be to "deny the entity's ability to

participate in procurement programs in subsection (c)." Therefore, only programs and procurements listed in Section 1-75(c) are subject to Section 1-75(c-10).

For competitive procurements, Section 1-75(c-10)(3) requires that the Agency "develop requirements for ensuring that competitive procurement processes, including utility-scale solar, utility-scale wind, and brownfield site photovoltaic projects, advance the equity goals" of the Act. Specifically, the Agency shall, through this Long-Term Plan, create "bid application requirements and a bid evaluation methodology" to optimize the amount of contract value flowing to equity eligible contractors. Further details on this process may be found in Chapter 5. Section 1-75(c-10)(3) provides that the ~~10%~~ MES and other equity accountability requirements in Section 1-75(c-10) also apply to entities participating in competitive procurements "to the extent practicable." Therefore, bidders in competitive procurements will be required to meet the MES and the associated reporting requirements.

Section 1-75(c-10)(4) requires that the Agency include several elements in each revision to the Long-Term Plan, which can be seen in full detail in Chapter 10, all of which provide ~~-~~transparency into the success of the equity accountability system. These include:

1. A mechanism for measuring and reporting project workforce profiles at the Approved Vendor or Designee level;
2. Training, guidance, and other support for Approved Vendors, Designees, eligible contractors, and other stakeholders related to the EEC category within the Illinois Shines program and the MES;
3. An application process for a waiver of the MES, which the Agency shall grant only in "rare circumstances" where the applicant provides evidence of "significant efforts" toward meeting the standard. Waivers are project-specific and only valid for a single delivery year.

The second major element of the equity provisions empowers the Agency to assess and attempt to ameliorate existing racial discrimination or disparities in in the clean energy economy. Section 1-75(c-15)(2) directs the Agency to publish a report assessing the efficacy of the equity accountability system described above one year after implementation. The Agency subsequently must commission and publish a racial disparity study to "measure the presence and impact of discrimination on minority businesses and workers in Illinois' clean energy economy" as a whole. The Agency shall collaborate with other relevant state agencies, including the Department of Commerce and Economic Opportunity and the Department of Labor, in conducting the disparity study.

Section 1-75(c-20) directs the Agency to "collect data from program applicants in order to track and improve equitable distribution of benefits across Illinois communities for all procurements the Agency conducts." Along with the assessment and disparity study described above, Section 1-75(c-20) embodies the statutory claim that "data collection, data analysis, and reporting are critical to ensure that the benefits of the clean energy economy … are equitably distributed across the State." Specifically, the law requires that the Agency collect demographic and geographic data, including racial and ethnic identity, from program applicants regarding their employees, contractors, and subcontractors. Notably, the Agency must collect this information from each entity "awarded contracts under any Agency-administered program," which is a ~~wider~~different universe of entities than those subject to the minimum equity standards, as that is limited to programs in Section 1-75(c). The Agency understands this distinction to require that the Agency collect demographic and geographic data from applicants to the ILSFA Program as well. That data shall be aggregated and published annually, ensuring transparency and public accountability.

Finally, Section 1-75(c-25) requires that the Agency create an Energy Workforce Equity Database in consultation with the Department of Commerce and Economic Opportunity. This Database ~~will~~serves

to facilitate the engagement of equity eligible contractors and persons on clean energy projects by serving as an easy to use, publicly available, and "searchable database of suppliers, vendors, and subcontractors for clean energy industries." This subsection also directs the Agency to "create an easily accessible, public facing online tool using the database information," within which the Agency has elected to house the Database.

The online tool, branded as the Energy Workforce Equity Portal, ~~shall include~~includes a broader set of capabilities and information, including:

A. a map of environmental justice and equity investment eligible communities;
B. job postings and recruiting opportunities;
C. a means by which recruiting clean energy companies can find and interact with current or former participants of clean energy workforce training programs;
D. information on workforce training service providers and training opportunities;
E. renewable energy company diversity reporting;
F. a list of equity eligible contractors;
G. reporting on outcomes of the workforce programs of the Energy Transition Act; and
H. information about the Jobs and Environmental Justice Grant Program, the Clean Energy Jobs and Justice Fund, and other sources of capital.[143]

The Agency launched the Energy Workforce Equity Portal on January 31, 2023.[144]

2.10 Self-~~direct~~Direct Renewable Portfolio Standard Compliance Program

Section 1-75(c)(1)(R) directs the IPA to "establish a self-direct renewable portfolio standard compliance program for eligible self-direct customers that purchase renewable energy credits from utility-scale wind and solar projects through long-term agreements." Chapter 6 outlines requirements applicable to the self-direct program.

The self-direct program has three main components for determining eligibility to participate: customer requirements; project requirements for the project from which that customer retires RECs or has RECs retired on its behalf; and contract requirements applicable to the contract through which the customer receives those RECs.

An eligible self-direct customer must be a retail customer of an Illinois electric utility with a peak demand of at least 10,000 kilowatts. Customers with the same corporate parents may aggregate account demands to meet this 10,000-kilowatt threshold.

The customer must have a contract with a renewable energy project for the delivery of RECs. That project must be a "new" utility-scale wind or utility-scale solar project that meets the locational requirements of Section 1-75(R)(2)(ii) of the Act (or that were otherwise in place at the time of the contract's execution). If those contracts were entered into after the effective date of Public Act 102-0662, that project must also meet applicable labor and diversity, equity, and inclusion requirements that would otherwise be applicable to new utility-scale wind and utility-scale solar projects that participate in the Agency's Indexed REC procurements.

The contract for RECs must be a long-term contract, which Section 1-75(c)(1)(R)(2) defines as "at least 10 years" in length. RECs retired must "be equivalent in volume to at least 40% of the eligible

[143] 20 ILCS 3855/1-75(c-25)(2).

[144] https://energyequity.illinois.gov/.

self-direct customer's usage," although a participating customer may meet this 40% requirement through contracts with multiple qualifying new utility-scale wind or solar projects.

The benefit back to a customer successfully participating in the self-direct program is a reduction in charges levied (or "credit") to support the RPS pursuant to Section 16-108(k) of the PUA. That credit is calculated as "the anticipated cost of. renewable energy credit deliveries under contracts for new utility-scale wind and new utility-scale solar entered for each delivery year after the large energy customer begins retiring eligible new utility scale renewable energy credits for self-compliance." Notably, that credit back to participating customers cannot include "(i) costs associated with any contracts entered into before the delivery year in which the customer files the initial compliance report to be eligible for participation in the self-direct program, and (ii) costs associated with procuring renewable energy credits through existing and future contracts through the Adjustable Block Program, subsection (c-5) of this Section 1-75, and the Solar for All Program."[145] In its Final Order approving the Plan in Docket No. 22-0231, the Illinois Commerce Commission determined that "a three-year rolling average of eligible utility-scale REC delivery contracts" be used to establish the self-direct credit value.[146] Thus, Section 1-75(c)(1)(R) lacks a single known, discrete credit level back to qualifying self-direct customers (as the cost of utility-scale contracts in future years is not yet knowable and will change over time).

For RPS goals, targets, and budgets, Section 1-75(c)(1)(R)(3) provides that each REC procured pursuant to the self-direct program "shall reduce the total volume of renewable energy credits the Agency is otherwise required to procure from new utility-scale projects on behalf of contracting utilities where the eligible self-direct customer is located." Additionally, the "reduction in the volumetric charges collected pursuant to Section 16-108 of the Public Utilities Act for approved eligible self-direct customers" reduces the available RPS budget—although the amount of that reduction is dependent on the level of the credit back to approved customers, and as outlined above, those credit amounts will vary over time.

More information about the self-direct program, including initial analysis on the potential program size, can be found in Chapter 6.

[145] 20 ILCS 3855/1-75(c)(1)(R)(4).

[146] Final Order at 40, ICC Docket No. 22-0231 (Jul. 14, 2022).

3. REC Portfolio, RPS Goals, Targets, and Budgets

3.1 Background

In 2007, Illinois established the state's Renewable Portfolio Standard ("RPS") through Public Act 95-0481. The annual percentage goals set for the RPS were calculated relative to "eligible retail load," which is defined as the load of residential and small commercial customers receiving fixed-price bundled service from their utility instead of service from an Alternate Retail Electric Supplier ("ARES") or real-time pricing. Beginning in the 2008-~~2009~~09 delivery year, the procurement of renewable energy resources for Illinois RPS compliance targeted at least 2% of the "eligible retail load" with a schedule to increase to 25% of the load of eligible retail customers by the 2025-~~2026~~26 delivery year. Tariffs were assessed to those default supply customers (and only those customers) to support renewable energy resource procurements intended to meet these RPS goals.

In 2009, Public Act 96-0033 added Section 16-115D to the Public Utilities Act, creating separate RPS obligations for ARES. ARES RPS compliance was based on the total metered electricity delivered by the ARES to retail customers in Illinois. This compliance mechanism differed from compliance for default service supply, as ARES compliance was effectuated through the payment of Alternative Compliance Payments and the self-procurement/retirement of RECs from a broad geographic footprint.

In 2017, Public Act 99-0906 significantly revised Illinois RPS goals. P.A. 99-0906 phased out ARES compliance obligations over a two-year period ending on May 31, 2019, and established goals for all retail customer load in Illinois (see Appendix B and, Section ~~2.2~~2.2 for more information). Just as goals are now applicable to all retail customer load rather than just the eligible retail load, the applicable funding mechanism also changed: with RPS goals now applicable to all retail customer load, P.A. 99-0906 authorized non-bypassable charges applicable to all retail customers, regardless of supply source. These revisions consolidated the RPS into a single, centralized planning mechanism for procurements and programs as described in this Plan.

With the enactment of Public Act 102-0662 on September 15, 2021, the Illinois RPS was revised and expanded, including more aggressive RPS goals. These included increasing the RPS goal to reach a target of 40% by the year 2030-~~2031 delivery year~~31, with a further goal to reach 50% by the year 2040-~~2041 delivery year.~~41. These percentages ~~reflect~~are derived by dividing the quantity of RECs required to be procured for a given ~~delivery~~ year ~~divided~~ by the ~~delivery~~load in that year ~~load~~. An illustrative example of this calculation: if statewide retail customer load in 2040 is 120 million MWh, then under a 50% RPS goal, 60 million RECs would need to be procured for annual delivery. P.A. 102-0662 additionally enacted substantial changes to specific quantitative targets for new wind and solar projects – 45 million RECs delivered annually by 2030. P.A. 102-0662 also substantially expanded the RPS budget and provided added budget management flexibility through rolling over prior years' collections to meet future years' expenses with the intent to prevent budgetary shortfalls.

Under the Illinois RPS, Illinois electric utilities serve as the counterparty buyers of RECs under REC delivery contracts (with those REC purchases funded through non-bypassable charges assessed to those utilities' ratepayers outlined ~~in the paragraph~~ above).[147]

[147] As discussed in Chapter 8, a portion of contracts for the Illinois Solar for All Program feature the Illinois Power Agency as the counterparty buyer rather than one of the utilities.

The enactment of Public Act 103-1066 on February 20, 2025, provided the Agency with new flexibility in establishing technology-specific REC procurement targets and a process for meeting existing REC contract obligations if the rate impact cap results in insufficient RPS funds. P.A. 103-1066 authorized the IPA to propose changes to the percentage-based REC procurement targets (45% utility-scale wind and hydropower projects and 55% from photovoltaic projects, as well as the proportions assigned between competitive procurements and Illinois Shines of the photovoltaic project share) through the Long-Term Plan, as necessary, based on developer interest, market conditions, budget considerations, resource adequacy needs, or other factors.[148]

P.A. 103-1066 also amended the IPA Act provisions related to the RPS budget and payment obligations under awarded contracts to ensure full and uninterrupted payment is made to sellers under REC contracts. If, for that delivery year, existing contractual obligations are reasonably expected to exceed the maximum collections authorized by the IPA Act, then the IPA must promptly notify the Commission through a compliance filing in the most recent Long-Term Plan approval docket and suspend or reduce new awards of REC delivery contracts unless and until it concludes that awarding new contracts would not cause the rate impact cap to be exceeded. However, all existing contract obligations would continue to be paid in full and promptly even if doing so would cause the rate impact cap to be exceeded, thus providing valuable certainty to Sellers.

The analysis in this chapter outlines the quantities of RECs presently under contract, and the remaining quantities needing to be ~~brought under contract~~contracted, to meet the applicable RPS percentage goal of each utility's retail customer load. ~~The graphs and tables in this chapter outline RPS progress by RECs under contract for Commonwealth Edison Company, Ameren Illinois, and MidAmerican Energy Company.~~

As used in this Chapter, a "goal" is intended to mean an overall percentage of load to be procured in the form of RECs for a given year based upon that year's mandated RPS requirement.[149] By contrast, a "target" is the number of RECs for a specific procurement event or program based upon a specific goal or numerical mandate.

The Tables and Figures contained in this chapter of the ~~2024~~2026 Long-Term Plan are ~~based on~~ reflective of data ~~as of March 31, 2024, The~~ updates as of August 15, 2025, and outline RPS progress as a function of RECs under contract for Commonwealth Edison Company, Ameren Illinois, and MidAmerican Energy Company. Additionally, the Agency ~~intends to begin~~has been releasing quarterly updated ~~REC and~~RPS Budget ~~forecasts on~~Forecasts through the Agency's website ~~beginning in 2024.~~

~~3.2 REC Portfolio~~

~~For the planning and development of the procurements~~[150] and ~~programs under~~ will continue to do so through this ~~2024 Long-Term Plan, the Agency aggregated the utility-level portfolios of all existing RECs under contract, including RECs under the Illinois Shines~~Plan's term. More detailed tables and ~~Illinois Solar for All Programs~~[151] ~~and RECs under contract through competitive procurements, into a single, statewide portfolio. This includes both 1) projects energized and delivering RECs and 2)~~

[148] 20 ILCS 3855/1-75(c)(1)(C)(i).

[149] For example, the RPS "goal" for the ~~2022-2023~~2025-26 delivery year is ~~19~~25% of the retail load.

[150] https://ipa.illinois.gov/renewable-resources/rps-budget-forecasts.html

[151] ~~As discussed in Chapter 8, the Adjustable Block Program is now referred to as the Illinois Shines Program.~~

projects under development thatassociated figures are projected to begin delivering RECs in the future. The statewide portfolio can be examined against REC goals and targets mandated in the Act to determine the "REC shortfall." That shortfall informs the quantity of RECs proposed to be procured through Indexed REC procurements, the Illinois Shines Program, and the Illinois Solar for All Program during the time period applicable to this plan (the 2024-2025 and 2025-2026 program years.

The following sections examine existing REC portfolios and the resulting statewide REC Portfolio after accounting for expected deliveries of RECs resulting from REC delivery contracts executed to date.[152]

Existing REC Portfolios – RECs Already Under Contract

Figure 3-1 and Table 3-1 show the aggregated statewide portfolio and the existing REC portfolio of each utility as of August 1, 2023. This includes RECs from the following categories:

- RECs procured under the Long-Term Power Purchase Agreements (LTPPAs") entered into in 2010 (20-year contracts);
- RECs procured under the Distributed Generation procurement events conducted by the IPA in 2015, 2016, and 2017 (5-year contracts that, in some cases, expire during the period outlined below);
- RECs procured under the initial forward procurements and additional competitive procurement events conducted by the IPA pursuant between 2017 and 2019;[153]
- Indexed REC procurements conducted in 2022 and 2023;
- RECs procured and under contracts resulting from the Illinois Shines Program and the Illinois Solar for All Program;
- RECs procured under the Coal to Solar and Energy Storage Initiative in the spring of 2022.[154]

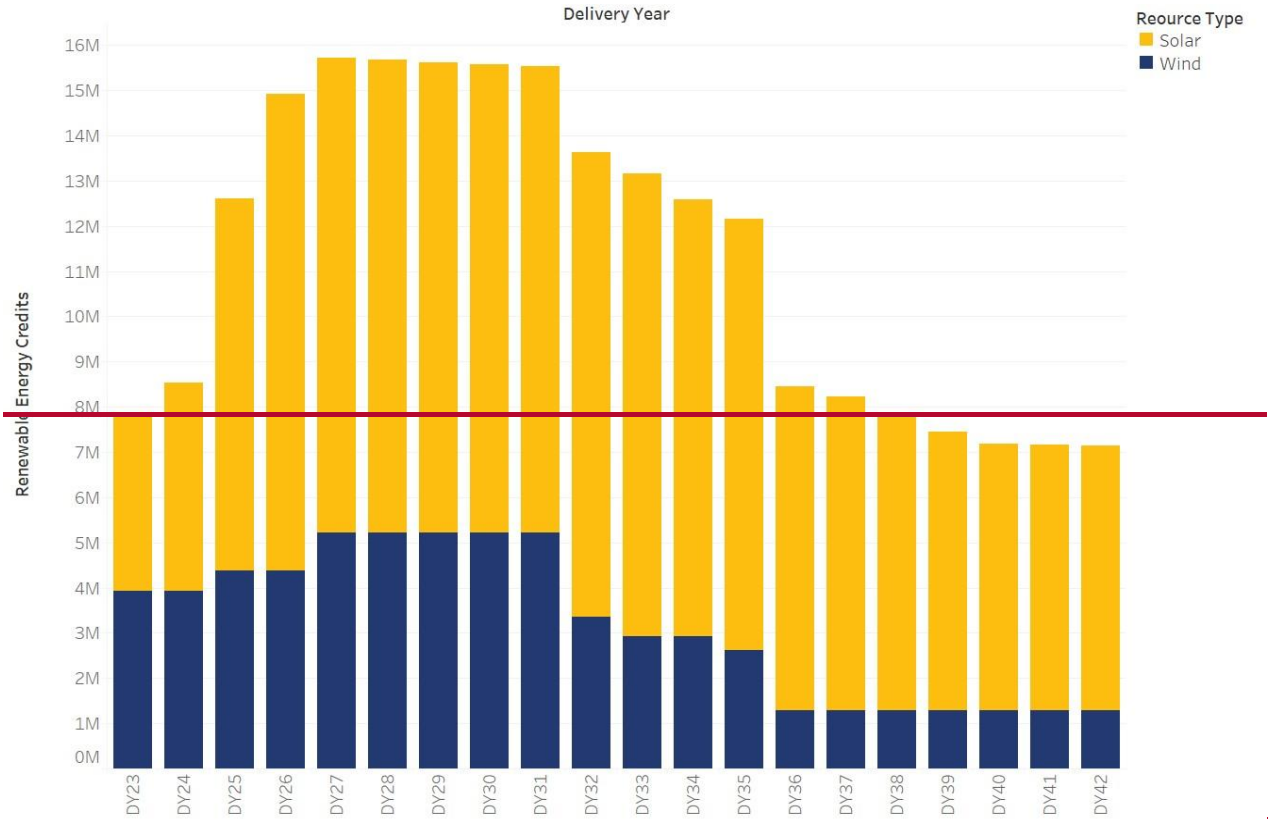
The REC Portfolio is presented in Figure 3-1. Figure 3-1 shows the volume of RECs expected to be delivered under existing contracts, and does not include projected future contracts.

[152] Appendix B-1 contains breakdowns of RPS goals and budget by each utility.

[153] Quantities have been adjusted to account for project attrition (i.e., projects that were awarded REC delivery contracts but were not completed under the terms of those contracts).

[154] RECs procured under this initiative are not funded by the RPS collections of the utilities, rather are funded by a separate Coal to Solar and Energy Storage Initiative Charge. These RECs are only allocated to Ameren Illinois and ComEd, not MidAmerican. A second procurement occurred in the fall of 2022 and no projects were selected. See: 20 ILCS 3855/1-75(c-5) and https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/public-notice-of-spring-2022-c2s-procurement-results-2022-4-29.pdf.

~~Figure 3-1: Current Statewide REC Portfolio (By Expected Delivery Year)~~



~~Table 3-1 shows the Statewide REC Portfolio by utility and by technology. The decline in RECs over time from these existing contracts reflects the end of delivery terms from the 2010 Long-Term Power Purchase Agreements, the 2017-19 Forward Procurements, and Illinois Shines and Illinois Solar for All projects. Data sources used in Figure 3-1 and Table 3-1 are provided~~ available in Appendix B ~~to this Plan, including a breakdown by utility.~~.

~~Table 3-1: Current REC Portfolio by Utility (By Expected Delivery Year)~~

Delivery Year	Utility					
	Total Solar RECs			Total Wind RECs		
	Ameren	ComEd	MidAmerican	Ameren	ComEd	MidAmerican
DY23	1,109,663	2,823,715	21,526	1,202,387	2,686,725	6,816
DY24	1,236,704	3,382,452	28,024	1,202,387	2,686,725	6,816
DY25	2,376,979	5,824,510	41,288	1,335,610	3,011,201	9,118
DY26	3,050,560	7,464,681	52,906	1,335,610	3,011,201	9,118
DY27	3,038,246	7,434,329	52,676	1,575,544	3,595,583	13,264
DY28	3,026,007	7,404,234	52,450	1,575,544	3,595,583	13,264
DY29	3,013,817	7,374,323	52,223	1,575,544	3,595,583	13,264
DY30	3,001,704	7,344,560	51,988	1,575,544	3,595,583	13,264
~~DY31~~	~~2,989,697~~	~~7,314,933~~	~~51,771~~	~~1,575,544~~	~~3,595,583~~	~~13,264~~
DY32	2,974,094	7,257,451	51,541	978,973	2,361,745	13,264
DY33	2,962,108	7,227,933	51,316	852,854	2,059,283	11,845
DY34	2,767,385	6,838,089	50,815	852,854	2,059,283	11,845
DY35	2,744,940	6,750,438	44,002	764,864	1,848,263	10,855
DY36	2,050,299	5,062,414	41,161	373,157	908,858	6,448
DY37	1,995,575	4,893,091	40,197	373,157	908,858	6,448
DY38	1,906,264	4,575,504	30,065	373,157	908,858	6,448
DY39	1,872,480	4,268,164	23,813	373,157	908,858	6,448
DY40	1,827,268	4,056,042	20,339	373,157	908,858	6,448
DY41	1,818,129	4,035,753	20,237	373,157	908,858	6,448
DY42	1,809,029	4,015,526	20,136	373,157	908,858	6,448

~~Figure 3-1 and Table 3-1 do not forecast future procurements quantities or program capacity proposed in this and future Long-Term Plans. Figure 3-1 and Table 3-1 are meant to serve as a snapshot reflecting the current Statewide REC Portfolio given current REC delivery contracts as of the release of this 2024 Long-Term Plan. Similarly, Figure 3-3 and Table 3-5 show current RECs under contract if there were no future procurements or program activities.~~

~~Available annual RPS budgets increased through P.A. 102-0662's changes to Section 1-75(c)(1)(E) of the IPA Act (increasing the statutory rate impact cap) and Section 16-108(k) of the PUA, (allowing for prior years' collections to be rolled over to meet future years' expenses over a 5-year period on a "first in, first out" basis). These increased funds were made available to support procurement activity toward meeting RPS targets and goals. The IPA is thus proposing additional program activity and procurement events to significantly increase the balance of RECs under contract in future delivery years. Section 3.4.6 below provides an overview of how the REC portfolio (and associated budget impacts) would change as a result of proposed activities. However, as discussed in that section and in Sections 3.4.7, 3.4.8, and 3.4.9 future costs and resultant budget impacts are highly uncertain. While the budget forecast contained later in this Chapter anticipates a funding shortfall in the 2030s, future Long-Term Plans will provide opportunities to alter proposed procurement volumes and update forecasts to better align activities with available funding.~~

~~3.3~~3.2 RPS Goals and Targets

~~Developing~~As part of the ~~2024~~2026 Long-Term Plan ~~involves calculating~~development process, the ~~annual REC targets and goals~~ Agency is obligated to calculate the quantity of RECs required ~~by statute, to determine the quantities of RECs that need~~ to ~~be procured to fill~~satisfy the ~~shortfall~~Illinois Renewable Portfolio Standard. The application of these calculations enables the Agency to identify the prospective gap between RECs under ~~current~~ contract ~~with RECs needed to reach~~(including both energized projects and those in development) from completed IPA procurements and programs and derive the remaining quantity of RECs required to be secured to achieve the statutory targets and goals~~. The~~ over time. In effect, the REC quantities under contract ~~shown in Figure 3-1~~ are ~~used along with~~subtracted from the aggregate REC goals to define the REC ~~targets and goals outlined in this Section to estimate a REC "shortfall" that needs to be filled to meet statutory RPS goals and targets.~~"gap." Filling ~~the shortfall will be addressed both through~~ this REC gap is the subject of this Long-Term Plan through activities conducted in the 2026-27 and 2027-28 delivery years and prospective future Long-Term Plans~~.~~ (i.e., activities occurring after May 2028).

The ~~volume~~quantity of RECs required to be procured ~~by~~through the Agency's procurements and programs to meet Illinois' statutory goals and targets can be viewed in two ways. First, the "REC Target ~~Shortfall~~," which is the quantity needed to meet the specific quantitative targets found in Section 1-75(c)(1)(C) of the IPA Act (e.g., 45 million RECs delivered annually from new wind~~,~~ ~~hydropower,~~ and solar projects, repowered wind projects, and from retooled hydropower facilities by 2030); and second, the "REC Goal ~~Shortfall~~" which is the quantity needed to meet the annual percentage based goals found in Section 1-75(c)(1)(B) of the IPA Act (which ~~could include~~includes RECs that are not from "new" wind, hydropower, or solar, such as RECs delivered under the ~~LTPPAs).~~Long-Term Power Purchase Agreements (LTPPAs)). As described below, the REC Target ~~Shortfall~~ has ~~only~~ two milestone check-ins under statute: a 2020-~~2021~~21 delivery year target ~~(~~that was defined to be 10 million RECs delivered annually (this target was set for the same year that the target was enacted and thus, was not met) and a 2030-~~2031~~31 delivery year target ~~(~~defined to be 45 million RECs delivered annually~~).~~. Further, the REC Target is a fundamentally static value, not being updated or otherwise changing over time regardless of changes in customer retail sales or other statistics (outside of accounting for self-direct program participation described further in Chapter 6).

In contrast, ~~as~~ Section 1-75(c)(1)(B) assigns specific percentage ~~escalator from a baseline~~escalators relative to each ~~individual~~covered utility's retail sales per delivery year, requiring the REC Goal ~~Shortfall can~~ be calculated on an annual basis given the dynamism of customer retail sales. The REC Target was established through P.A. 102-0662 in 2021 and at that time the 2030-31 target of 45 million RECs was roughly equal to the 40% REC Goal. Today, that target of 45 million RECs in 2030-31 is equal to a REC Goal of 34 % for that year – a function of the REC Goal inputs changing due to anticipated changes in retail electricity sales (load growth) and therefore changing the quantity of RECs that must be secured. As discussed below, significant increases in utility-provided load forecasts that incorporate growing electrical demand are resulting in higher percentage-based REC goals (i.e., more RECs must be secured); with the 2030 REC Target and REC Goal being less correlated.

~~3.3.1~~3.2.1 RPS Goals

RPS ~~annual goals~~Goals are expressed as percentages in Section 1-75(c)(1)(B) of the ~~Act.~~IPA Act and are summarized in Table 3-1 To determine the number of RECs required to ~~meet~~achieve the annual goals (the "Overall RPS Target"), the delivery year RPS ~~goal~~Goal percentage is applied to the reference

~~year~~year's applicable retail customer load ("Applicable Load") as ~~shown~~expressed in the ~~following~~ equation~~.~~ below (see Equation 3-1).

Equation 3-1: Overall RPS Target

$$Overall\ RPS\ Target_{Delivery\ Year} = RPS\ Goal_{Delivery\ Year} * Reference\ Year\ Applicable\ Load$$

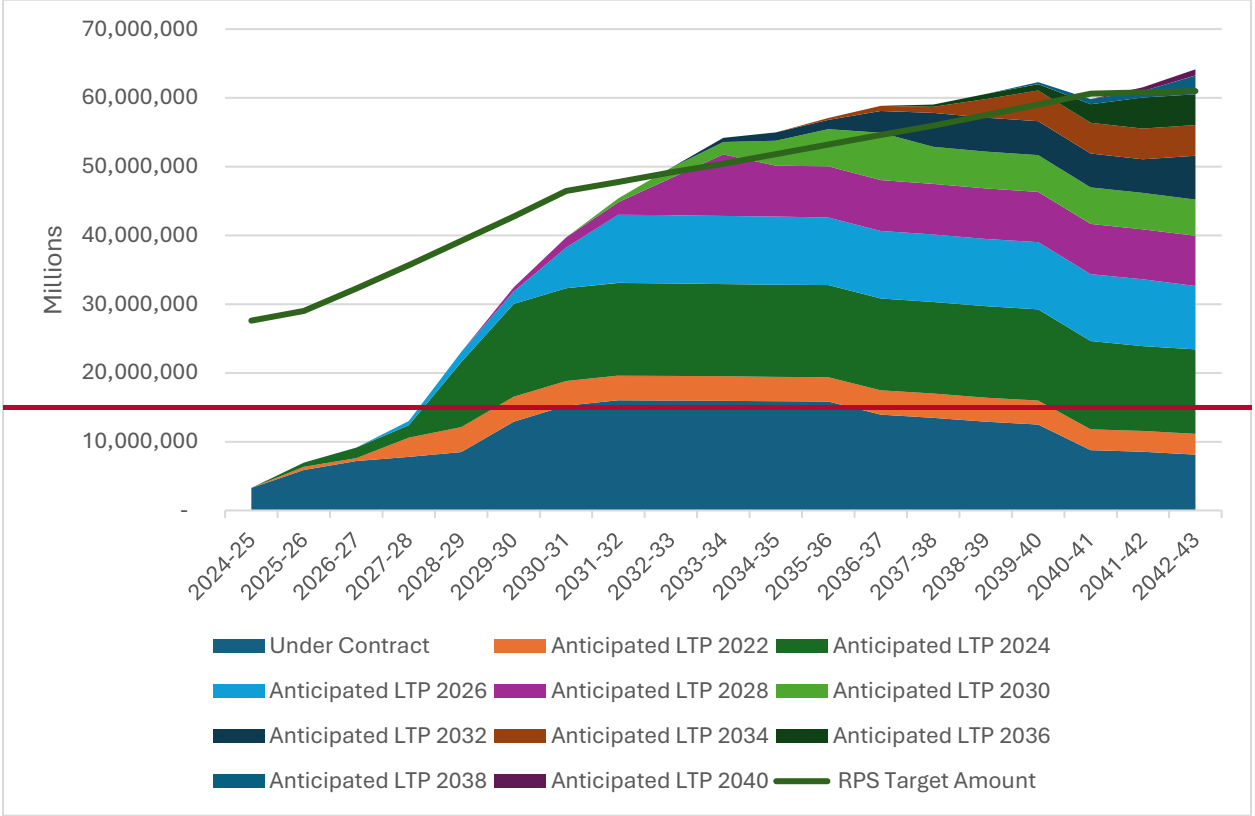
Table 3-~~1~~2: Annual RPS Goals

Delivery Year	Goal (% of total retail electricity sales)
2023-2024	22%
2024-2025	24%
2025-2026	25%
2026-2027	28%
2027-2028	31%
2028-2029	34%
2029-2030	37%
2030-2031	40%
2031-2032	41%
2032-2033	42%
2033-2034	43%
2034-2035	44%
2035-2036	45%
2036-2037	46%
2037-2038	47%
2038-2039	48%
2039-2040	49%
2040-2041	50%
2041-2042	50%
2042-2043	50%

~~The 2024 Long-Term Plan presents proposed procurement and program activities towards meeting these annual percentage goals. However, targets and goals contained in the IPA Act, paired with challenges related to supply chains, length of time needed for construction activities, and ongoing interconnection delays, create a significant challenge. Actual project energization and REC delivery commencement often occurs years after when RECs are brought under contract, especially for larger projects. Given this lag, many years of procurements will be needed to catch up on compliance with these annual RPS goals. Figure 3-2 illustrates how RECs already under contract (either from projects currently delivering RECs, or expected to deliver RECs once completed), RECs from activities~~

underway pursuant to the 2022 Long-Term Plan,[155] RECs from procurements and programs proposed in this 2024 Long-Term Plan, and estimates of RECs that could be procured from programs and procurements proposed in future Long-Term Plans can meet these goals.

Figure 3-2: Current and Future Expected REC Procurement Volumes



RPS Targets

As amended by P.A. 102-0662, Section 1-75(c)(1)(C) of the Act requires the procurement of RECs "from new projects" in an amount equal to at least "10,000,000 renewable energy credits delivered annually by the end of the 2021 delivery year, and increasing ratably to reach 45,000,000 renewable energy credits delivered annually from new wind and solar projects by the end of delivery year 2030" such that the percentage-based RPS goals outlined above "are met entirely by procurements of renewable energy credits from new wind and photovoltaic projects."[156]

Of the target amount, 45% is required to be procured from wind and hydropower projects and 55% from photovoltaic projects. Of the amount to be procured from photovoltaic projects, 50% is to be procured through the Illinois Shines Program, 47% from utility-scale solar projects, and 3% from brownfield site photovoltaic projects.[157] Targets may be exceeded in given categories even if doing

[155] This includes 2023-2024 program year blocks for Illinois Shines, and procurement volumes from, the Fall 2023 Indexed REC Procurement. That procurement includes ambitious wind targets that were partially met. As discussed in Section 5.5.1 recent Indexed REC procurements have had challenges procuring RECs from utility-scale wind projects and the Agency is endeavoring to address the challenges faced by wind developers. As these procurement targets were not met, targets for future year procurements could be adjusted accordingly.

[156] 20 ILCS 3855/1-75(c)(1)(C)(i).

[157] Id.

~~so leaves overall proportions aligned differently from those percentages, given the carveouts are minimums required. Table 3-3 summarizes these targets by resource type.~~

~~Table 3-3: New Wind and Solar Targets~~

Resource Category	2020-2021 Target	2030-2031 Target
New Wind and Hydropower	**4,500,000**	**20,250,000**
New Solar	**5,500,000**	**24,750,000**
Illinois Shines Program	*(2,750,000)*	*(12,375,000)*
Utility-Scale Solar	*(2,585,000)*	*(11,632,500)*
Brownfield Site Solar	*(165,000)*	*(742,500)*
Total	**10,000,000**	**45,000,000**

Delivery Year	Goal (% of total retail electricity sales)
2023-2024	22%
2024-2025	24%
2025-2026	25%
2026-2027	28%
2027-2028	31%
2028-2029	34%
2029-2030	37%
2030-2031	40%
2031-2032	41%
2032-2033	42%
2033-2034	43%
2034-2035	44%
2035-2036	45%
2036-2037	46%
2037-2038	47%
2038-2039	48%
2039-2040	49%
2040-2041	50%
2041-2042	50%
2042-2043	50%

Utilizing the Annual RPS Goals, as provided in Table 3-1, the resulting statewide RPS Goals for 2023-24 through 2042-43 are provided in Table 3-2 below. As provided in this table, the annual REC obligation (i.e., quantity of RECs) increases over time as a result of both the increasing RPS Goal – the primary driver – and an increase in the annual Applicable Load – the secondary driver. As discussed in greater detail in Section 3.2.2 below, the Applicable Load values can and do change based upon updates to the utility load forecasts.

Table 3-2: Statewide RPS Goals

Procurement Year	RPS Goal	Reference Year	Reference Year Load (Applicable Load) [MWh]	RECs needed to meet RPS Goal
2023-2024	*22%*	2022-2023	120,302,328	26,466,512
2024-2025	*24%*	2023-2024	118,284,570	27,796,874
2025-2026	*25%*	2024-2025	117,448,534	29,362,134
2026-2027	*28%*	2025-2026	118,602,158	33,208,604
2027-2028	*31%*	2026-2027	117,941,161	36,561,760
2028-2029	*34%*	2027-2028	123,073,927	41,845,135
2029-2030	*37%*	2028-2029	127,585,638	47,206,686
2030-2031	*40%*	2029-2030	132,757,709	53,103,083
2031-2032	*41%*	2030-2031	141,711,115	57,963,542
2032-2033	*42%*	2031-2032	153,265,338	64,104,122
2033-2034	*43%*	2032-2033	166,857,803	71,364,058
2034-2035	*44%*	2033-2034	178,246,155	77,955,040
2035-2036	*45%*	2034-2035	189,404,113	84,704,102
2036-2037	*46%*	2035-2036	199,737,862	91,341,143
2037-2038	*47%*	2036-2037	208,038,460	97,283,835
2038-2039	*48%*	2037-2038	213,095,796	101,897,362
2039-2040	*49%*	2038-2039	215,843,341	105,540,154
2040-2041	*50%*	2039-2040	216,578,439	108,289,238
2041-2042	*50%*	2040-2041	217,477,387	108,738,693
2042-2043	*50%*	2041-2042	217,968,426	108,984,213
2043-2044	*50%*	2042-2043	218,464,673	109,232,337

~~3.3.2~~3.2.2 Applicable Retail Customer Load Used to Calculate RPS Goals

~~Based on~~ The Agency utilizes load forecasts ~~received from the utilities, Table 3-4 shows~~ provided by each utility. These forecasts, as provided in Table 3-3, provides the forecasted retail customer load (MWh) subject to RPS compliance through the 2042-~~2043~~43 delivery year.[158]

[158] As customary, in support of the IPA procurement processes, in the spring of ~~2023~~2025 the utilities provided the actual and forecast loads used in this ~~2024~~2026 Long-Term Plan.

Table 3-34: Forecast Retail Customer Load Applicable to the Compliance Year (~~MWH~~MWh)

Compliance Year	Ameren	ComEd	MidAmerican
2023-2024	34,318,519	83,656,064	526,943
2024-2025	33,963,265	82,956,872	528,398
2025-2026	33,546,578	81,934,523	528,060
2026-2027	33,164,502	81,560,529	529,850
2027-2028	32,936,208	81,592,931	530,429
2028-2029	32,936,208	81,884,475	531,365
2029-2030	32,936,208	81,977,065	531,528
2030-2031	32,936,208	82,659,806	532,426
2031-2032	32,936,208	83,303,405	533,005
2032-2033	32,936,208	84,058,940	533,755
2033-2034	32,936,208	84,423,663	533,928
2034-2035	32,936,208	85,015,848	534,300
2035-2036	32,936,208	85,450,293	534,645
2036-2037	32,936,208	85,967,286	534,964
2037-2038	32,936,208	86,216,092	535,259
2038-2039	32,936,208	86,766,903	535,529
2039-2040	32,936,208	87,214,468	535,776
2040-2041	32,936,208	87,748,951	536,002
2041-2042	32,936,208	88,116,802	536,207
2042-2043	32,936,208	88,491,503	536,391

~~For the forecast quantity used for~~

Compliance Year	Ameren	ComEd	MidAmerican	Total Applicable Load (All Utilities)
2023-2024	35,074,493	84,697,302	530,533	120,302,328
2024-2025	34,318,519	83,439,109	526,943	118,284,570
2025-2026	33,963,265	82,956,872	528,398	117,448,534
2026-2027	33,148,973	84,979,000	474,185	118,602,158
2027-2028	33,772,220	83,718,451	450,490	117,941,161
2028-2029	38,243,718	84,378,124	452,085	123,073,927
2029-2030	40,258,980	86,873,047	453,611	127,585,638
2030-2031	40,292,099	92,010,320	455,289	132,757,709
2031-2032	40,292,099	100,962,204	456,811	141,711,115
2032-2033	40,292,099	112,515,043	458,195	153,265,338
2033-2034	40,292,099	126,106,170	459,533	166,857,803
2034-2035	40,292,099	137,493,039	461,017	178,246,155
2035-2036	40,292,099	148,649,662	462,351	189,404,113

2036-2037	40,292,099	158,982,132	463,630	199,737,862
2037-2038	40,292,099	167,281,514	464,847	208,038,460
2038-2039	40,292,099	172,337,431	466,266	213,095,796
2039-2040	40,292,099	175,083,636	467,605	215,843,341
2040-2041	40,292,099	175,817,446	468,894	216,578,439
2041-2042	40,292,099	176,715,193	470,095	217,477,387
2042-2043	40,292,099	177,204,914	471,412	217,968,426
2043-2044	40,292,099	177,699,946	472,628	218,464,673
2044-2045	40,292,099	178,200,352	473,748	218,966,200
2045-2046	40,292,099	179,096,856	474,801	219,863,757

The retail load forecasts for each utility have evolved over time, with the utilities generally forecasting load increases when comparing the 2022 and 2024 Long-Term Plans to those of the ~~2023-2024 delivery year,~~2026 Long-Term Plan. For example, comparing the ~~Ameren Illinois forecast load declined 1.7%~~load forecasts from the ~~forecast numbers included in the 2022 Long-Term Plan;~~2024 Long-Term Plan to July 2025, ComEd and Ameren both project 22% higher loads by 2030-31. By 2040-41, ComEd's new forecast shows a 101% increase over its projection in 2024 Long-Term Plan. These increases to the load forecasts largely reflect the ~~ComEd forecast load declined by 0.5%; and the MidAmerican forecast load decreased by 0.8%.~~effects of data center growth, and continuing electrification – primarily heating and electric vehicles.[159] These changes in forecasted load have a corresponding impact on estimated annual RPS ~~goals and budget collections.~~Goals and the resulting RPS Budget Forecast, with increased load equating to increased REC Goal obligations. The impact of variations in load forecasts is discussed further in Section ~~3.4.8.~~3.3.9.

The retail customer load serves as the denominator in calculating RPS Goals. Illustratively, if retail load were 100 million ~~MWH in a~~MWh for the 2030-31 delivery year ~~where the goal was 25%, then~~in which the ~~REC~~RPS Goal is 40% (see Table 3-2), then the RECs required to meet the RPS Goal for that year would be ~~25~~40% of 100 million~~—~~ – or ~~25~~40 million RECs ~~delivered annually. If, for~~. Further, if by that given year~~, 10~~ 25 million RECs had been procured, then the resulting REC ~~Goal Shortfall~~gap for that given year would be 15 million RECs~~.~~ (i.e., 40 million REC obligation minus 25 million RECs delivered equals 15 million REC gap).

There is one additional factor incorporated into the overall equation to determine the RPS Goal percentage – the volume of RECs resulting from the IPA self-direct program. As discussed in Chapter 6, the Large Customer Self-Direct Program ~~described in Chapter 6 expands, the program will also~~will further reduce the denominator used in calculating RPS percentage goals~~, as~~. Specifically, Section 1-75(c)(1)(R)(~~2)(vii)~~3) of the IPA Act states that "[e]ach renewable energy credit procured pursuant to this subparagraph (R) by a self-direct customer shall reduce the total volume of renewable energy credits the Agency is otherwise required to procure from new utility-scale projects pursuant to subparagraph (C) of paragraph (1) of this subsection (c) on behalf of contracting utilities where the eligible self-direct customer is located."[160] While this portion of the Self-Direct Program statute addresses only Section 1-75(c)(1)(C)'s targets, because Section 1-75(c)(1)(C)'s quantitative targets are a subset of Section 1-75(c)(1)(B)'s percentage-based goals, the IPA understands that any

[159] See, e.g., https://www.synapse-energy.com/risks-rapid-data-center-load-growth-illinois.

[160] 20 ILCS 3855/1-75(c)(1)(R)(3).

reduction in targets and load resultant from self-direct customer REC retirements would also necessitate an adjustment to percentage-based REC Goal progress. Additionally, the Large Customer Self-Direct Program reduces RPS collections expressly for those customers participating in the self-direct program. For the 2023-20242025-26 program year the Large-Customer Self-Direct Program size is between 500,000 andapproximately 1.2 million RECs from the twosix participating entities.[161] Additionally, the Large-Customer Self-Direct Program reduces RPS collections from customersFor this draft 2026 Long-Term Plan, as discussed in Section 6.6, the Agency is proposing a maximum program size for 2026-27 of 5.5 million RECs. The RPS amounts listed in this Plan are adjusted for the current level of program participation and crediting rate, which are both anticipated to increase in future years.

Overall REC Procurement Targets and Goals -REC Shortfall

The number of RECs needing to be procured each year to meet annual REC targets is the difference between the RPS Target RECs from Table 3-5 and the total number of current contracted RECs in the Statewide REC Portfolio as shown in Figure 3-1. RECs currently under contract come from several sources. First are RECs from Long-Term Power Purchase Agreements ("LTPPAs") for utility-scale wind and solar procurement conducted in 2010. Second are RECs contracted from utility-scale wind, solar, and brownfield site photovoltaics from forward procurements conducted in 2018 through 2019 under changes enacted through P.A. 99-0906.[162] The third are RECs contracted through IPA Programs including RECs from the Illinois Shines and RECs from the Illinois Solar for All Program. Fourth are RECs procured under the Coal to Solar Procurement events authorized under Section 1-75(c-5) of the IPA Act.[163] And fifth are RECs procured from three Indexed REC procurements across 2022 and the first half of 2023. For additional information on the LTPPAs, forward procurements and Indexed REC procurements, please see Chapter 5. For additional information on the Illinois Shines Program and the Illinois Solar for All, please see Chapters 7 and 8, respectively. Please note that the table below reflects the timing of expected *deliveries* from existing contracts resultant from procurement activity already conducted. These are not procurement event dates; as explained above, REC deliveries may lag contract execution by 1-5 years depending on project size and complexity.

[161] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/42023/self-direct-participant-announcement-41923.pdf.https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250516-announcement-self-direct-2025-26-selection.pdf. The exact quantity is not released to protect each participating customer's confidential REC retirement quantities.

[162] These quantities are adjusted for project attrition as not all projects that participated in these procurements were completed under the terms of the REC delivery contracts.

[163] This procurement was not conducted under the auspices of a Long-Term Plan, rather was a standalone procurement process as defined in Section 1-75(c-5) of the IPA Act.

~~Table 3-5: Statewide REC Shortfall, Current REC Portfolio~~[164, 165 166]

Delivery Year	2010 LTTPAs	ABP Under Contract	FEJA Forward Procurements	Coal to Solar	CEJA Indexed REC Procurements	ILSFA	Total RECs Under Contract	Overall RPS Target	REC Shortfall	% of Target Currently Met
DY23	1,861,725	1,863,428	4,061,149	0	0	64,531	7,850,833	26,022,605	18,171,772	30%
DY24	1,861,725	2,556,025	4,061,149	0	0	64,209	8,543,107	27,600,406	19,057,298	31%
DY25	1,861,725	4,202,552	4,061,149	379,110	2,409,391	63,888	12,977,814	29,002,290	16,024,476	45%
DY26	1,861,725	4,181,237	4,061,149	379,110	4,756,396	63,568	15,303,185	32,271,367	16,968,182	47%
DY27	1,861,725	4,160,141	4,061,149	379,110	5,563,377	63,250	16,088,752	35,668,466	19,579,714	45%
DY28	1,861,725	4,139,272	4,061,149	379,110	5,542,002	62,934	16,046,192	39,219,697	23,173,504	41%
DY29	1,861,725	4,118,527	4,061,149	379,110	5,520,735	62,619	16,003,865	42,714,577	26,710,712	37%
DY30	1,861,725	4,097,889	4,061,149	379,110	5,499,573	62,306	15,961,752	46,451,376	30,489,624	34%
DY31	1,861,725	4,077,425	4,061,149	379,110	5,478,518	61,995	15,919,921	47,763,046	31,843,125	33%
DY32	0	4,056,667	4,061,149	379,110	5,457,568	61,685	14,016,178	49,157,149	35,140,971	29%
DY33	0	4,036,092	3,631,149	379,110	5,436,722	61,376	13,544,449	50,422,454	36,878,005	27%
DY34	0	3,472,073	3,631,149	379,110	5,415,981	61,070	12,959,382	51,819,399	38,860,017	25%
DY35	0	3,382,692	3,324,562	379,110	5,395,343	60,764	12,542,472	53,183,158	40,640,686	24%
DY36	0	3,007,068	0	379,110	5,374,809	60,460	8,821,447	54,619,816	45,798,369	16%
DY37	0	2,802,791	0	379,110	5,354,377	60,158	8,596,436	55,968,808	47,372,372	15%
DY38	0	2,406,391	0	379,110	5,334,048	59,857	8,179,406	57,495,270	49,315,864	14%
DY39	0	2,079,542	0	379,110	5,313,820	59,558	7,832,030	59,011,627	51,179,598	13%
DY40	0	1,839,160	0	379,110	5,293,693	59,260	7,571,223	60,610,591	53,039,368	12%
DY41	0	1,829,952	0	379,110	5,273,667	58,964	7,541,693	60,794,608	53,252,916	12%
DY42	0	1,820,744	0	379,110	5,253,741	58,669	7,512,264	60,982,051	53,469,787	12%

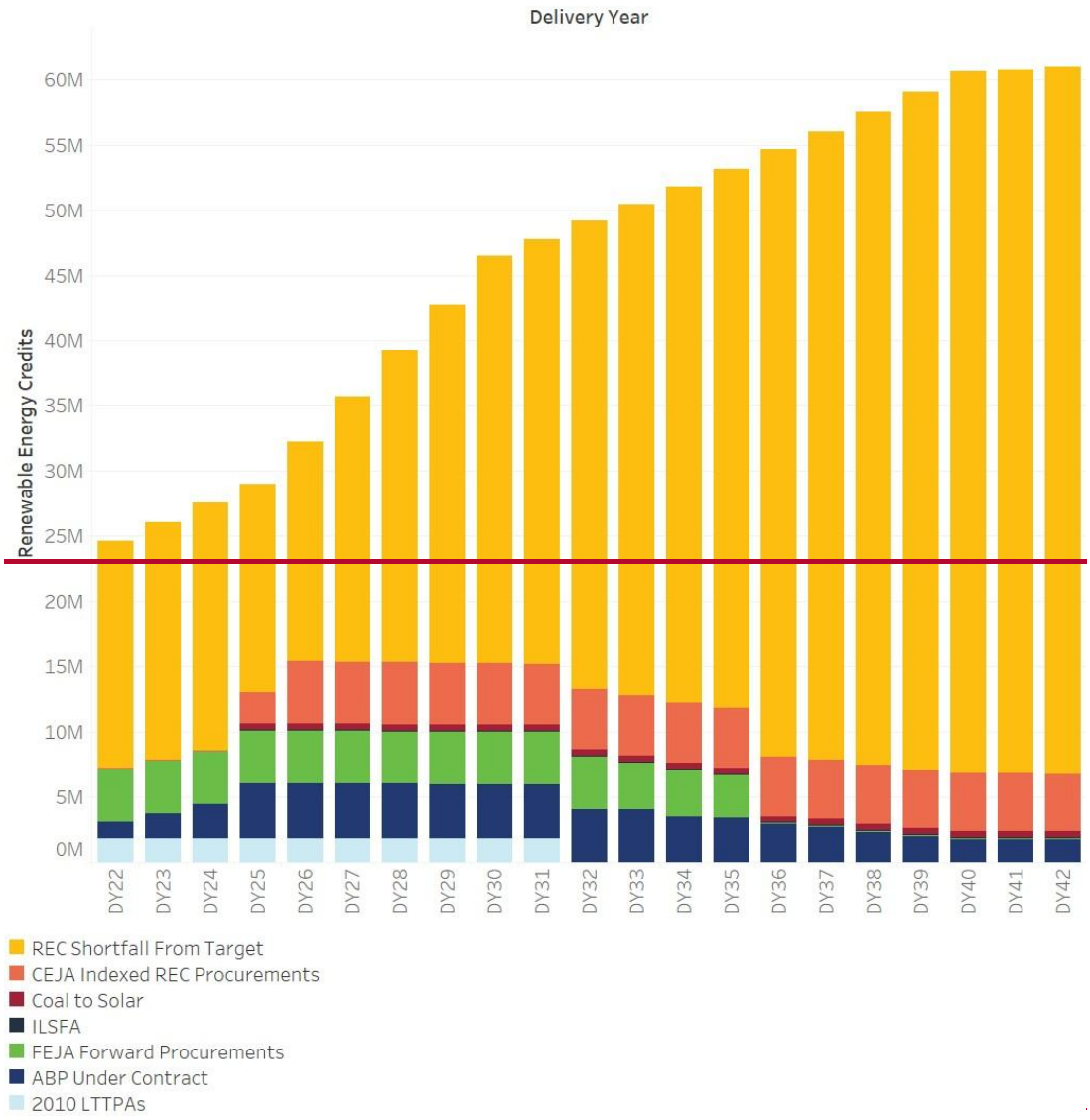
~~[164] Unadjusted for RECs supplied by an ARES to their retail customers pursuant to Section 1-75(c)(1)(H)(i) of the IPA Act (see Section 3.6 for an explanation of this provision).~~

~~[165] The 2010 LTPPAs and 2017-2019 Forward Procurements featured fixed annual delivery volumes. Other solar programs and procurements factor in a 0.5% annual degradation rate for REC deliveries. RECs under contract decline over time due to both that degradation and contract terms ending.~~

~~[166] On October 18, 2023, the Agency was notified that three of six selected Coal to Solar REC Contracts had been terminated and this table has been updated to reflect that reduction in Coal to Solar RECs.~~

~~Figure 3-3 below provides a visual representation of the annual Statewide RPS Goals, REC Portfolio, and REC Shortfall discussed in this Section.~~

~~Figure 3-3: Statewide Annual RPS Goal, Current REC Portfolio and REC Shortfall~~



~~The statewide RPS Goals for 2023-2024 through 2042-2043 are shown in the table below.~~

~~Table 3-6: Statewide RPS Goals~~

Delivery Year	RPS Goal	Reference Year	Reference Year Load (Applicable Load) [MWh]	RECs needed to meet RPS Goal
2023-2024	*22%*	2022-2023	118,284,570	26,022,605
2024-2025	*24%*	2023-2024	117,448,534	27,600,406
2025-2026	*25%*	2024-2025	116,009,160	29,002,290
2026-2027	*28%*	2025-2026	115,254,881	32,271,367
2027-2028	*31%*	2026-2027	115,059,568	35,668,466
2028-2029	*34%*	2027-2028	115,352,049	39,219,697
2029-2030	*37%*	2028-2029	115,444,801	42,714,577
2030-2031	*40%*	2029-2030	116,128,440	46,451,376
2031-2032	*41%*	2030-2031	116,772,618	47,760,001
2032-2033	*42%*	2031-2032	117,528,903	49,127,081
2033-2034	*43%*	2032-2033	117,893,799	50,458,546
2034-2035	*44%*	2033-2034	118,486,357	51,778,538
2035-2036	*45%*	2034-2035	118,921,146	53,157,752
2036-2037	*46%*	2035-2036	119,438,459	54,583,376
2037-2038	*47%*	2036-2037	119,687,559	56,013,777
2038-2039	*48%*	2037-2038	120,238,640	57,474,070
2039-2040	*49%*	2038-2039	120,686,452	59,015,675
2040-2041	*50%*	2039-2040	121,221,162	60,610,581
2041-2042	*50%*	2040-2041	121,589,217	60,794,608
2042-2043	*50%*	2041-2042	121,964,102	60,982,051

~~The goal of this 2024 Long-Term Plan and subsequent Long-Term Plans is to provide a roadmap for how the REC shortfall will be filled.~~

~~3.3.3~~3.2.3 ~~Procurement Targets to Meet Specific Wind-Solar Requirement and Overall~~ RPS Targets

Section 1-75(c)(1)(C)(i) of the IPA Act requires ~~that, to~~ the ~~extent possible, the overall quantity~~procurement of RECs ~~procured to meet the RPS goals should include~~ "from new projects" in an amount equal to at least "10,000,000 renewable energy credits delivered annually by the end of the 2021 delivery year, and increasing ratably to reach 45~~% from new~~,000,000 renewable energy credits delivered annually from new wind and solar projects by the end of year 2030" such that the percentage-based RPS goals outlined above "are met entirely by procurements of renewable energy credits from new wind and photovoltaic projects."[167]

[167] 20 ILCS 3855/1-75(c)(1)(C)(i).

Further, Section 1-75(c)(1)(C) of the IPA Act requires that 45% of target RECs be procured from new and repowered wind and hydropower projects and 55% from ~~new~~ photovoltaic projects.[168] Of the ~~portion~~amount to be procured from photovoltaic projects, 50% ~~should~~is to be ~~from~~procured through the Illinois Shines Program, 47% from ~~new utility-scale solar, and 3% from~~ utility-scale solar projects, and 3% from brownfield site photovoltaic projects.[169] Targets may be exceeded in given categories even if doing so leaves overall proportions aligned differently from those percentages, given the carveouts are minimums required.

Table 3-4 summarizes these targets by resource type.

Table 3-4: Wind and Solar REC Targets[170]

Resource Category	2020-2021 Target	2030-2031 Target
New Wind and Hydropower	**4,500,000**	**20,250,000**
New Solar	**5,500,000**	**24,750,000**
Illinois Shines Program	*(2,750,000)*	*(12,375,000)*
Utility-Scale Solar	*(2,585,000)*	*(11,632,500)*
Brownfield Site Solar	*(165,000)*	*(742,500)*
Total	**10,000,000**	**45,000,000**

As discussed in Chapter 2, enactment of Public Act 103-1066 provides the IPA with the ability to propose adjustments to the percentage splits as defined in Section 1-75(c)(1)(C) – in particular, allowing for reallocation of the percentages for utility-scale REC procurements. Proposed adjustments are to be based on information the Agency receives related to developer interest, market conditions, budget considerations, resource adequacy needs, and other factors. Given the uncertainty in the federal landscape – from the repeal of the Inflation Reduction Act ("IRA"), scaling back of the federal tax credits, imposition of tariffs on solar modules and other construction equipment and restriction of investment from foreign entities – the IPA proposes to generally maintain the target percentages in establishing target procurement quantities such that these splits are achieved for the cumulative RECs being procured by the 2030 RPS Goals. Specifically, this means maintaining the 45% of RECs from wind and hydropower projects and 55% for photovoltaic projects. Further, concerning the procurement from photovoltaic projects, 50% is targeted for the Illinois Shines Program, 47% for utility-scale solar projects, and 3% for brownfield site photovoltaic projects.[171] ~~Table 3-7 below shows the~~ When applying these RPS Goals (percentage splits) they are specifically intended to pursue achievement of the goals by the 2030-31 delivery year; whereby, the annual REC targets may differ in the years preceding 2030 as the Agency balances achievement of procurement targets,

[168] ~~Effective January 1, 2024, P.A. 103-0380 includes RECs from modernized or retooled hydropower projects as also eligible for meeting the 45% share allocated to new wind projects.~~ Id.

[169] Id.

[170] Targets are formulaic, based upon the RPS Target (10 million and 45 million RECs, respectively). Of note, REC targets implemented (quantity of RECs to be procured) may differ from those provided above relative to the RPS Goal discussed in Section 3.2.1 and 3.2.2, with the greater REC quantity obligation setting the REC quantity to be procured.

[171] ~~20 ILCS 3855/1-75(c)(1)(C)(i).~~

balancing procurement results (which can exceed the target quantity in some circumstances), and achievement of Illinois Shines target quantities.

The Agency is also focused on reducing REC procurement lag experienced during the utility-scale procurements and is recommending changes to the procurement process to satisfy unfilled targets more efficiently and dynamically. Specifically, the Agency recognizes that while REC targets for utility-scale solar, wind and hydropower, and brownfield site photovoltaics are pre-defined in each procurement event, those targets are not always achieved, leading to a delay or lag between when the procurement shortfall occurs and the subsequent procurement event when that shortfall is added to the target in an attempt to make up the difference. This lag occurs if the quantity of RECs procured through the competitive procurement are lower than the quantity sought for that technology in that procurement, either due to not clearing the benchmark or due to challenges in developing that specific technology (i.e., developers fail to bid enough projects to cover the target for the procurement event). To mitigate this challenge, the Agency is proposing to automatically roll the procurement shortfall from the under-subscribed technology to the over-subscribed technology(ies) in that same procurement event. The Agency would continue to utilize the confidential benchmark to evaluate bids, thus any over-subscribed technology that now has additional available supply through this automatic roll forward process would first have to beat the benchmark before being selected.

As an example, if the REC target (quantity of RECs to be acquired through contracts in a procurement) for utility-scale wind/hydropower in a specific procurement event is 100 RECs and the REC target for utility-scale solar is 50 RECs, but qualified bids received priced under a confidential benchmark for utility-scale wind/hydropower are for only 50 RECs and for utility-scale solar is 125 RECs, then the remaining 50 RECs will be rolled over into the technology that is oversubscribed – in this instance, to utility-scale solar. This would mean that 50 RECs are contracted for utility-scale wind/hydropower and 100 RECs are contracted for utility-scale solar, and with 25 RECs for utility-scale solar remaining uncontracted.

The Agency recognizes that having procurement targets that are dynamic by technology, while still within an overall REC target for a given procurement event, is a shift from prior practice and could result in an ultimate shift in the percentage split between wind/hydro and solar. However, the Agency believes that adding this flexibility to procurement events would be an effective way to ensure that the maximum amount of RECs can be brought under contract and subsequently, that those same projects have an opportunity to be developed a quickly as possible. This updated process ultimately helps to facilitate a more expedient and efficient way to meet the goals of the RPS. **The Agency welcomes stakeholder feedback on this proposed change in procurement approach.**

3.2.4 Illinois Renewable Market and Current RPS REC Portfolio

As of the end of the first quarter of 2025, Illinois has approximately 14.1 GW of installed renewable energy generating capacity. The installed renewable energy capacity value is the combined result of both IPA-facilitated procurements and programs (including Indexed REC procurements, Illinois Shines, and Illinois Solar for All), and independently developed projects (i.e., non-IPA procurement initiatives). Of the 14 GW of installed renewable capacity, approximately 7.9 GW is from wind generation resources, with the overwhelming majority being utility-scale onshore wind.[172] Solar

[172] Hoen, B.D., Diffendorfer, J.E., Rand, J.T., Kramer, L.A., Garrity, C.P., and Hunt, H.E., 2018, United States Wind Turbine Database V8.1 (May 22, 2025): U.S. Geological Survey, American Clean Power Association, and Lawrence Berkeley National Laboratory data release, https://doi.org/10.5066/F7TX3DN0 .

generation represents the remaining 6.2 GW.[173] Translating installed capacity to estimated REC production results in approximately 29 million wind-related RECs per year and 7.6 million solar RECs per year (or up to 36.6 million RECs in total) from statewide renewable energy generation.[174] The split between utility-scale and small-scale solar is more ambiguous, however, SEIA reported average projects size is just 50 kW across a project pool of 121,949, indicating a much more important role for small-scale distributed generation as compared with wind.[175] While a significant number of these projects are not contracted through the IPA's procurements or programs, when looking at the advancement of renewables in Illinois, the picture is very positive.

In the *immediate* future, indicators projecting the forward outlook for both wind and solar generation development appear promising, with approximately 2.1 GW of new wind capacity and 1.7 GW of new solar capacity under development (having received interconnection agreements and begun construction) throughout Illinois (as of July 2025).[176] RTO generation queues include a further 56.8 GW of solar and wind projects, as provided in Figure 3-1, below.[177] Figure 3-2 utilizes the same RTO queue data to provide a summary of RTO renewable resource requests from 2015 through 2025 and their status, showing that more than 70% of projects remain active – either in queue or having received an interconnection agreement (i.e., either in development or energized). While many projects in RTO queues may not transition to development, the sheer magnitude of projects in these queues indicate the prospective developmental opportunity for wind and solar generation. Hydroelectric generation development is projected to be less dynamic, with less than 50 MW of installed capacity as of 2025 and few planned expansions in process.[178]

However, changes at the federal level impacting the availability of renewable energy incentives (e.g., the 30% ITC) and tariffs are expected to place a substantial strain on renewable energy project development in the next few years. It is unclear at this time exactly how such changes in incentives and tariffs will specifically impact the projections provided above; however, directionally wind and solar project development is likely to decline. The extent of that decline, over what period, and for how long is yet to be determined. Even in light of these new challenges, it remains likely that renewable resource development will forge ahead as developers adjust their business models and approaches – such development is simply likely to occur at a slower pace.

[173] Illinois State Overview, Solar Energy Industries Association, https://seia.org/state-solar-policy/illinois-solar/.

[174] Estimated wind REC calculation: 7,900 MW * 8760 * 0.42 (capacity factor); estimated solar REC calculation: 6,200 MW * 8760 * 0.14 (capacity factor). This calculation also largely mirrors the latest Energy Information Administration reporting of monthly renewable energy generation in Illinois for 2025, which was approximately 3 million MWh for April 2025.

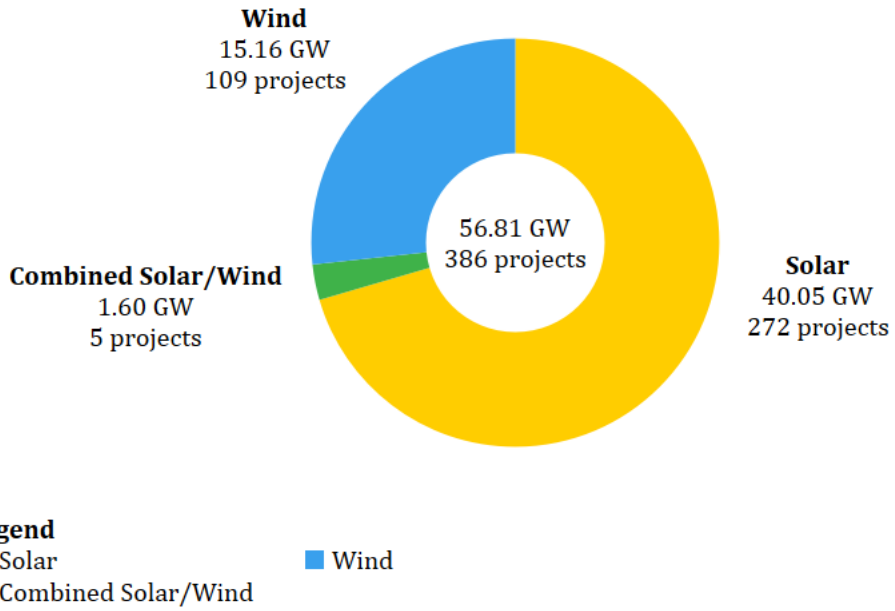
[175] Illinois State Overview, Solar Energy Industries Association, https://seia.org/state-solar-policy/illinois-solar/.

[176] Data on grid-connected renewable energy capacity under development in Illinois compiled from public RTO datasets. See PJM "Serial Service Request Status" and "Cycle Service Request Status" (https://www.pjm.com/planning/service-requests) and MISO "Interactive Queue" (https://www.misoenergy.org/planning/resource-utilization/GI_Queue/gi-interactive-queue/).

[177] Id.

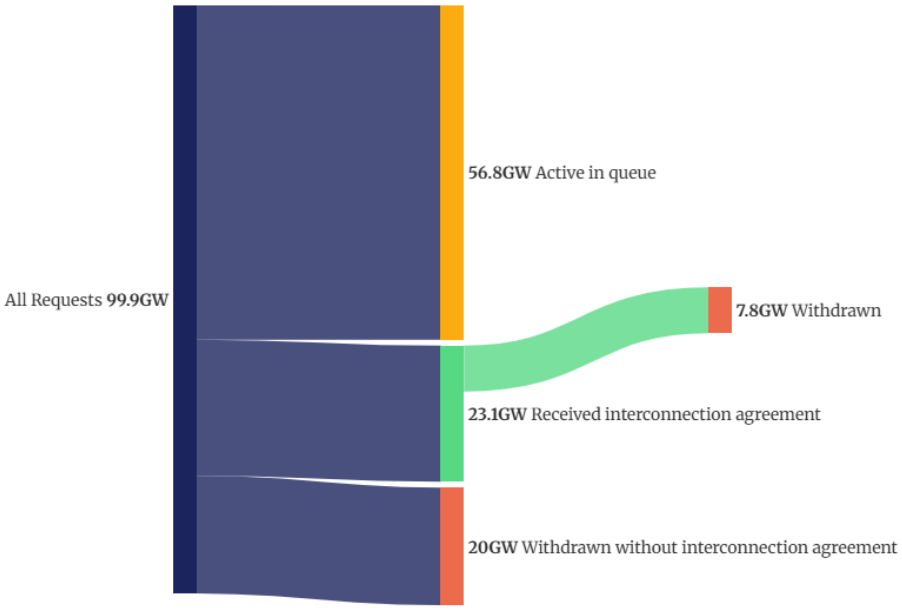
[178] Illinois State Energy Profile, U.S. Energy Information Administration, https://www.eia.gov/state/print.php?sid=IL.

Figure 3-1: RTO Renewable Resource Queue (PJM & MISO, As of July 2025)



Source: Midcontinent Independent System Operator (MISO). (July 28, 2025). Generation Interconnection Interactive Queue.
PJM Interconnection LLC. (July 28, 2025). Serial Service Request Status.
PJM Interconnection LLC. (July 28, 2025). Cycle Service Request Status.

Figure 3-2: RTO Interconnection Request History (2015-2025)



It is against the backdrop of a dichotomous renewable energy market – an immediate positive outlook juxtaposed against serious recent headwinds at the federal level – that the Agency must

consider how best to position its procurements and programs to meet the Illinois RPS Goals and RPS Targets.[179] As highlighted previously, Illinois renewable energy development has been successful with over 14 GW of installed capacity to date; however, the achievement of the Illinois RPS Goal and Targets is not tied to aggregate development in the state and instead solely focuses on the Agency's procurements and programs. Renewable projects developed outside of the Agency's efforts mean that the environmental attributes (i.e., RECs) are held by private entities – such as the developers or third parties that contract with those resources – and therefore do not transfer to the state's three investor-owned utilities; thus, they are not retired in support of the Illinois RPS.

The Agency's current REC portfolio ~~of~~ consists of existing RECs under contract with all three utilities, including RECs procured under past programs and under the current programs such as Illinois Shines,[180] Illinois Solar for All, and competitive procurements for utility-scale projects, all rolled into a single, statewide portfolio. The current portfolio of RECs under contract includes both 1) projects energized and delivering RECs and 2) projects under contract that are projected to begin delivering RECs in the future. In the past plans, Agency counted the RECs under contract towards REC portfolio with a lag, based on the energization assumptions for the projects supplying those RECs. However, starting in this Plan, the Agency is correctly counting RECs under contract towards the REC portfolio based on when they were contracted and not based on energization assumptions. Energization assumptions for these RECs under contract are now used to estimate the expense incurred from these RECs in the RPS Budget section. To determine how progress is being made towards the REC goals and targets mandated in the IPA Act, those goals and targets are compared against the current REC portfolio, deriving the "REC shortfall." That shortfall informs the quantity of RECs proposed to be procured through Indexed REC procurements, the Illinois Shines Program, and the Illinois Solar for All Program during the time period applicable to this plan (the 2026-27 and 2027-28 program years), as well as forecasts of what RECs might need to be approved through programs and procurements approved in future plans.

Figure 3-3 and Table 3-5 show the aggregated statewide REC portfolio and the existing REC portfolio (cumulation including all three utilities) as of August 1, 2025. This includes RECs from the following categories:

- RECs procured under the Long-Term Power Purchase Agreements ("LTPPAs") entered into in 2010 (20-year contracts);
- RECs procured under the initial forward procurements and additional competitive procurement events conducted by the IPA pursuant between 2017 and 2019;[181]
- Indexed REC procurements conducted in 2022 through 2025;
- RECs procured and under contracts resulting from the Illinois Shines Program and the Illinois Solar for All Program;

[179] While the focus of the Agency's procurements and programs focus on Illinois development, as discussed in Chapter 4, the eligibility of RECs for the Illinois RPS can, and does, include RECs from adjacent states that meet public interest criteria.

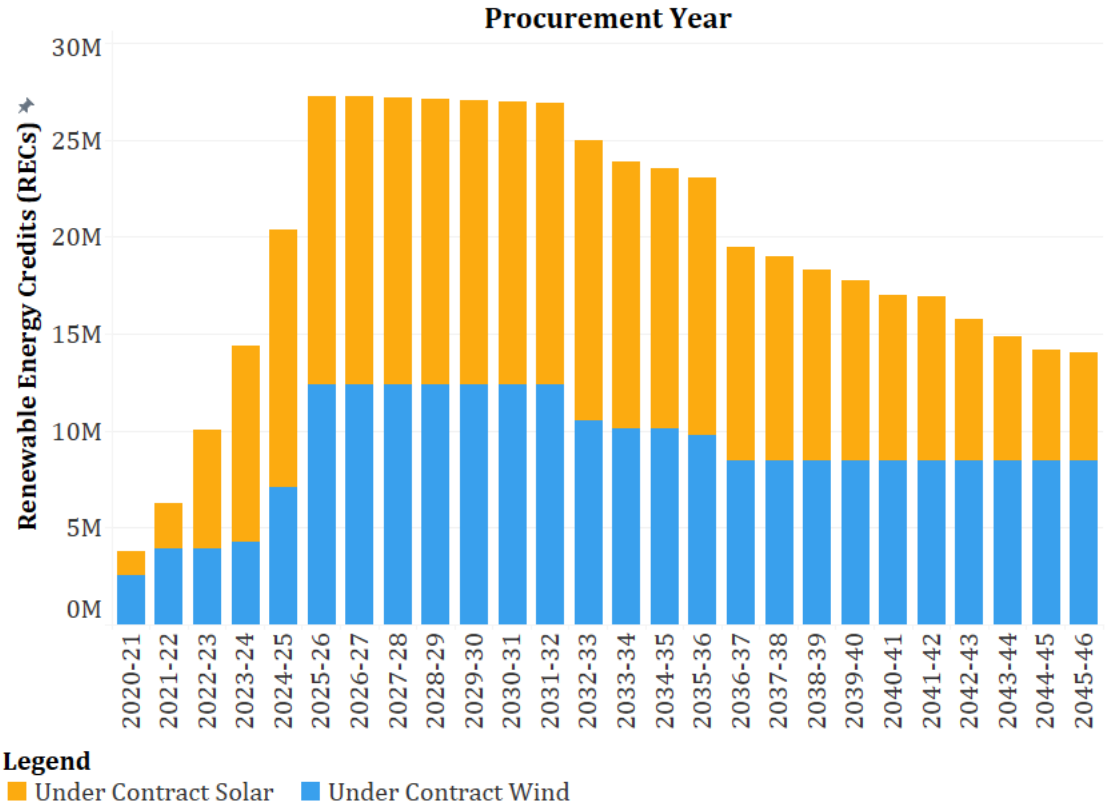
[180] As discussed in Chapter 7, the Adjustable Block Program is now referred to as the Illinois Shines Program.

[181] Quantities have been adjusted to account for project attrition (i.e., projects that were awarded REC delivery contracts but were not completed under the terms of those contracts).

- RECs procured under the Coal to Solar and Energy Storage Initiative in the spring of 2022.[182]

The REC Portfolio is presented in Figure 3-3, showing the volume of RECs expected to be delivered under existing contracts and excluding projected future contracts.

Figure 3-3: Current Statewide REC Portfolio (By Procurement Year)



Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

Note. This figure represents RECs under contract by the year in which the REC contract was awarded. "Under contract" represents a key point in time that is used to determine future REC procurements and related expenditures.

Table 3-5 below shows the Statewide REC Portfolio by utility and by technology. The decline in RECs over time from these existing contracts reflects the conclusion of contracts associated with the 2010 Long-Term Power Purchase Agreements, the 2017-19 Forward Procurements, and Illinois Shines and Illinois Solar for All projects. Contract conclusions occur over time, based upon the terms of the agreement – contracts consist of 15 or 20-year terms, with varying start-dates subject to the

[182] RECs procured under this initiative are not funded by the RPS collections of the utilities, rather are funded by a separate Coal to Solar and Energy Storage Initiative Charge. These RECs are only allocated to Ameren Illinois and ComEd, not MidAmerican. A second procurement occurred in the fall of 2022 and no projects were selected. See: 20 ILCS 3855/1-75(c-5) and https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/public-notice-of-spring-2022-c2s-procurement-results-2022-4-29.pdf.

commercial operation of the resources. Data sources used in Figure 3-3 and Table 3-5 are provided in Appendix B to this Plan, including a breakdown by utility.

Table 3-5: Current REC Portfolio by Utility (By Procurement Year)

Procurement Year	Total Solar RECs			Total Winds RECs		
	Ameren	ComEd	MidAmerican	Ameren	ComEd	MidAmerican
2023-2024	2,781,935	7,304,172	39,200	1,302,034	2,950,980	7,680
2024-2025	3,572,878	9,611,090	43,549	2,074,978	5,027,485	14,547
2025-2026	4,036,914	10,804,894	48,406	3,495,492	8,838,070	27,131
2026-2027	4,081,119	10,718,855	58,060	3,568,266	8,751,769	40,659
2027-2028	4,106,223	10,633,707	56,742	3,626,256	8,695,290	39,148
2028-2029	4,237,223	10,442,740	55,617	3,832,710	8,490,075	37,909
2029-2030	4,248,763	10,371,325	54,682	3,873,400	8,450,383	36,911
2030-2031	4,159,079	10,401,593	53,701	3,771,452	8,553,396	35,846
2031-2032	4,027,560	10,474,269	52,255	3,609,137	8,717,455	34,102
2032-2033	3,880,346	10,531,539	50,645	2,831,128	7,667,035	32,122
2033-2034	3,550,454	10,166,231	49,048	2,523,732	7,547,844	28,709
2034-2035	3,380,897	10,021,842	45,978	2,393,136	7,679,858	27,290
2035-2036	3,247,355	9,957,600	43,160	2,192,424	7,582,791	25,070
2036-2037	2,511,967	8,424,426	33,820	1,707,554	6,737,564	19,648
2037-2038	2,381,281	8,085,108	24,487	1,639,424	6,806,428	18,914
2038-2039	2,255,308	7,568,338	15,461	1,600,516	6,845,729	18,521
2039-2040	2,171,641	7,079,154	15,274	1,580,142	6,866,286	18,338
2040-2041	1,952,237	6,560,098	12,352	1,574,779	6,871,661	18,326
2041-2042	1,938,063	6,521,137	12,271	1,568,270	6,878,199	18,297
2042-2043	1,559,655	5,719,732	12,216	1,564,737	6,881,722	18,307
2043-2044	1,280,543	5,079,467	12,159	1,561,182	6,885,271	18,313
2044-2045	1,049,919	4,620,194	12,099	1,557,607	6,888,845	18,314
2045-2046	1,019,677	4,532,426	12,016	1,551,248	6,895,238	18,280

Importantly, as noted previously, Figure 3-3 and Table 3-5 do not forecast future procurements quantities or program capacity, and as such, does not include RECs targeted for contract under the 2026 Long-Term Plan or future Long-Term Plans. Both Figure 3-3 and Table 3-5 provide a snapshot reflecting the *current* Statewide REC Portfolio given *current* REC delivery contracts as of August 8, 2025 – after the ICC approved results of the latest Indexed REC procurement prior to the release of this Plan. Similarly, Figure 3-3 and Table 3-8 above show current RECs under contract if there were no future procurements or program activities.

Table 3-7 below shows the total portfolio of expected REC deliveries from wind and ~~photovoltaics~~solar projects. ~~Totals~~The totals included in this table reflect RECs under contract from procurements and program activities already conducted (i.e., procurements conducted through prior Long-Term Plans or previous procurement activities such as LTPPAs) as of the release of ~~2024~~2026 Long-Term Plan.

Table 3-~~6~~7: Projected Deliveries of Statewide Wind and Solar RECs in the Current Portfolio[183]

Delivery Year	Solar RECs	Wind RECs	Total RECs
2023-24	3,954,905	3,895,928	7,850,833
2024-25	4,647,179	3,895,928	8,543,107
2025-26	8,242,776	4,355,928	12,598,704
2026-27	10,568,147	4,355,928	14,924,075
2027-28	10,525,251	5,184,391	15,709,642
2028-29	10,482,691	5,184,391	15,667,082
2029-30	10,440,364	5,184,391	15,624,755
2030-31	10,398,251	5,184,391	15,582,642
~~2031-32~~	~~10,356,420~~	~~5,184,391~~	~~15,540,811~~
2032-33	10,283,086	3,353,982	13,637,068
2033-34	10,241,357	2,923,982	13,165,339
2034-35	9,656,290	2,923,982	12,580,272
2035-36	9,539,380	2,623,982	12,163,362
2036-37	7,153,874	1,288,463	8,442,337
2037-38	6,928,863	1,288,463	8,217,326
2038-39	6,511,833	1,288,463	7,800,296
2039-40	6,164,457	1,288,463	7,452,920
2040-41	5,903,650	1,288,463	7,192,113
2041-42	5,874,120	1,288,463	7,162,583
2042-43	5,844,691	1,288,463	7,133,154

~~The RECs under contract projected to be delivered as shown in Table 3-7 compared with the RECs needed to meet the RPS goal shown in Table 3-6 indicate that the balance of RECs currently in the portfolio falls short of the goals outlined in the IPA Act. Additionally, Section 1-75(c)(1)(C)(iii) provides that "no renewable energy credits from contracts entered into before June 1, 2021 shall be used to calculate whether the Agency has procured the correct proportion of new wind and new solar contracts," the balance of wind RECs versus solar RECs is best assessed on a forward-looking basis.~~

Procurement Year	Solar RECs	Wind RECs	Total RECs
2023-2024	10,125,307	4,260,694	14,386,001
2024-2025	13,227,517	7,117,010	20,344,527
2025-2026	14,890,214	12,360,694	27,250,908
2026-2027	14,858,035	12,360,694	27,218,729
2027-2028	14,796,672	12,360,694	27,157,366
2028-2029	14,735,580	12,360,694	27,096,274
2029-2030	14,674,769	12,360,694	27,035,463

[183] These totals reflect quantities from the LTPPAs, which do not count towards Section 1-75(c)(1)(C)(v)'s targets for RECs from new wind and solar, RECs from the 2015-2019 Utility DG procurements, RECs from the 2017-2019 Forward Procurements, and RECs currently under contract from the Illinois Shines Program and the Illinois Solar for All Program.

2030-2031	14,614,373	12,360,694	26,975,067
2031-2032	14,554,084	12,360,694	26,914,778
2032-2033	14,462,529	10,530,285	24,992,814
2033-2034	13,765,733	10,100,285	23,866,018
2034-2035	13,448,717	10,100,285	23,549,002
2035-2036	13,248,115	9,800,285	23,048,400
2036-2037	10,970,213	8,464,766	19,434,979
2037-2038	10,490,877	8,464,766	18,955,643
2038-2039	9,839,108	8,464,766	18,303,874
2039-2040	9,266,069	8,464,766	17,730,835
2040-2041	8,524,687	8,464,766	16,989,453
2041-2042	8,471,470	8,464,766	16,936,236
2042-2043	7,291,603	8,464,766	15,756,369

This Chapter's quantities of RECs under contract from utility-scale procurements held in 2017 through 2019 accounts for project attrition (i.e., projects receiving REC delivery contracts not successfully developed under the terms of those contracts~~). Four~~. The attrition from the 2017-2019 Forward Procurements resulted in 2 wind ~~projects~~ and ~~seven utility-scale~~6 solar projects~~, and two brownfield site projects have begun delivery, while seven solar projects and two wind projects have been removed from the REC portfolio due to project attrition.~~ terminating their contracts. ~~Table 3-8~~Table 3-7 below summarizes in aggregate the results of the 2017-2019 Forward procurements.

Table 3-~~7~~8: 2017-2019 Forward Procurement REC Portfolio Status

Status	Solar RECs[A]	Wind RECs	Total RECs
Delivering RECs	1,995,629	2,065,519	4,061,148
Removed[B]	1,058,702	879,234	1,937,936
Attrition Rate	35%	30%	32%

[A] *Includes RECs from brownfield site photovoltaic projects.*
[B] *"Removed" indicates RECs that were procured in the 2017 through and 2019 procurements but will not be delivered because of the projects not meeting energization deadlines and thus have been removed from the RPS REC Portfolio.*

~~In comparison to these~~

Status	Solar RECs[A]	Wind RECs	Total RECs
Delivering RECs	1,945,629	2,065,519	4,061,148
Removed[B]	1,058,702	879234	1,937,936
Attrition Rate	35%	30%	32%

[A] *Includes RECs from brownfield site photovoltaic projects.*
[B] *"Removed" indicates RECs that were procured in the 2017 through and 2019 procurements but will not be delivered because of the projects not meeting energization deadlines and thus have been removed from the RPS REC Portfolio.*

When comparing utility-scale project attrition rates~~, the~~ to those attrition rate for the Illinois Shines Program ~~has been~~, the Illinois Shines Program have realized lower~~,~~ rates at approximately ~~1~~2% of contracted Small DG projects, ~~10~~6% of contracted Large DG projects, and ~~7~~2% of contracted community solar projects. ~~Given the small sample size of utility-scale projects and given attrition may be project specific, current attrition rates may not necessarily indicate future procurement project attrition.~~

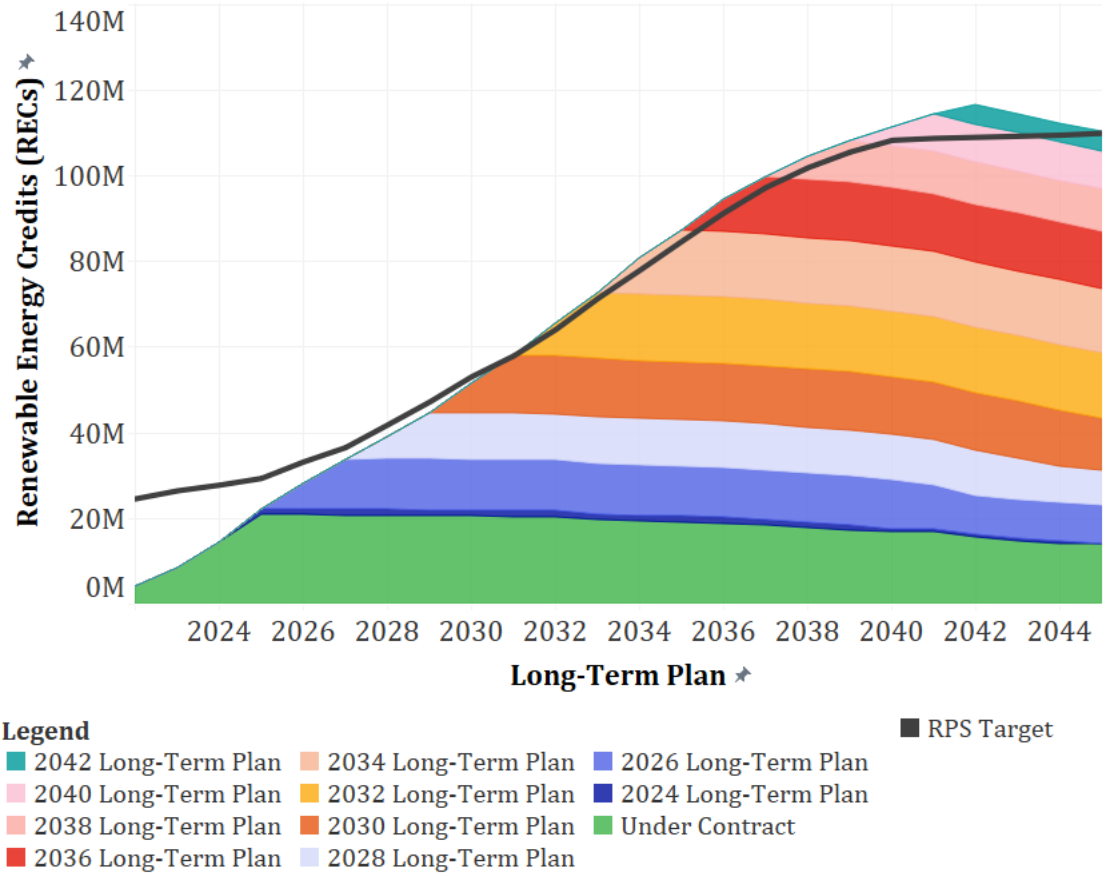
~~Additionally, the~~ The Agency is optimistic that the shift to an Indexed REC pricing model as required under Section 1-75(c)(1)(G)(v) of the Act with the added optionality to bid into the Inflation Adjustment Mechanism for utility-scale projects will reduce the development risk to new utility-scale projects, ~~ensuring~~providing some revenue certainty for projects receiving REC delivery contracts~~. As projects under contract from the 2022-2023 Indexed REC procurement events have not reached applicable development milestones, the Agency cannot assess~~ and therefore leading to lower project attrition ~~rates for Indexed REC procurement events in this plan~~.

3.2.5 Overall REC Procurement – Shortfalls and Goals

The 2026 Long-Term Plan presents proposed procurement and program activities towards meeting the RPS goals and targets. Figure 3-4 below illustrates how RECs already under contract (either from projects currently delivering RECs, or expected to deliver RECs once completed), RECs from activities underway pursuant to the 2022 Long-Term Plan, RECs from activities underway pursuant to the 2024 Long-Term Plan,[184] RECs from procurements and programs proposed in this 2026 Long-Term Plan, and estimates of RECs that could be procured from programs and procurements proposed in future Long-Term Plans can meet these goals. The RECs under contract projected to be delivered compared with the RECs needed to meet the RPS goal indicate that the balance of RECs currently in the portfolio falls short of the goals outlined in the IPA Act. Additionally, Section 1-75(c)(1)(C)(iii) provides that "no renewable energy credits from contracts entered into before June 1, 2021, shall be used to calculate whether the Agency has procured the correct proportion of new wind and new solar contracts," the balance of wind RECs versus solar RECs is best assessed on a forward-looking basis. The figure below portrays REC quantities that would be needed to meet the RPS and does not factor in budget constraints discussed below in Section 3.3.

[184] This includes 2025-26 program year blocks for Illinois Shines, and expected procurement volumes for the Fall 2025 Indexed REC Procurement.

Figure 3-4: Current and Future Expected REC Procurement Volumes



Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

As Figure 3-4 demonstrates, there is a distinct opportunity to fully realize the State's ambitious RPS targets and goals, even amidst persistent challenges related to the changing federal policy landscape, supply chain constraints and delays, growing project development and construction time, ongoing interconnection delays, and evolving market structures and pricing. RECs contributing to the RPS Goals and RPS Targets include both RECs under contract and in development as well as RECs from projects that have been energized (the sum of these projects are summarily defined as "projects under contract"). Importantly, project energization and resulting REC delivery commencement often occurs years after when RECs are brought under contract. For utility scale projects, energization is typically three to five years from contract execution and for Illinois Shines projects, it takes closer to one year from contract award to energization. Due to this development lag primarily from the utility-scale projects and the impact of this lag on the RPS budget, many years of procurements are needed to catch up on compliance with the annual RPS goals. The number of RECs needing to be procured each year to meet annual REC targets is the difference between the Overall RPS Target RECs and the total RECs under contract from Table 3-8 below.

RECs currently under contract come from several sources as shown in Table 3-8, and are summarized as follows:

1. RECs from Long-Term Power Purchase Agreements ("LTPPAs") for utility-scale wind and solar procurement conducted in 2010.
2. RECs contracted from utility-scale wind, solar, and brownfield site photovoltaics from forward procurements conducted in 2018 through 2019 under changes enacted through P.A. 99-0906.[185]
3. RECs procured under the Coal to Solar Procurement events authorized under Section 1-75(c-5) of the IPA Act.[186]
4. RECs procured from the Indexed REC procurements across 2022 through the first half of 2025.
5. RECs contracted through IPA Programs including RECs from the Illinois Shines and RECs from the Illinois Solar for All Program.

For additional information on the LTPPAs, forward procurements and Indexed REC procurements, please see Chapter 5. For additional information on the Illinois Shines Program and the Illinois Solar for All, please see Chapters 7 and 8, respectively. Please note that the table below reflects procurement activity for when projects were awarded REC delivery contracts. RECs corresponding with delivery years are not listed by projected delivery dates, as the initiation of REC deliveries may lag contract execution by 1-5 years depending on project size and complexity.

[185] These quantities are adjusted for project attrition as not all projects that participated in these procurements were completed under the terms of the REC delivery contracts.

[186] This procurement was not conducted under the auspices of a Long-Term Plan, rather was a standalone procurement process as defined in Section 1-75(c-5) of the IPA Act.

Table 3-8: Statewide REC Shortfall, Current REC Portfolio[187, 188 189]

Procurement Year	LTPPA	2017-2019 Forward Procurement	Coal to Solar	Indexed RECs Under Contract	ABP Under Contract	ILSFA	Total RECs Under Contract	Overall RPS Target (RECs)	REC Shortfall	RECs Under Contract (%)	Overall RPS Target (%)	% RPS Target Currently Met
2023-2024	1,861,725	4,061,149	0	3,697,371	4,693,156	72,601	14,386,001	26,466,512	12,080,511	*12%*	*22%*	*54%*
2024-2025	1,861,725	4,061,149	379,110	8,343,846	5,965,503	112,304	20,723,637	27,796,874	7,073,237	*18%*	*24%*	*75%*
2025-2026	1,861,725	4,631,148	379,110	14,449,917	6,172,408	135,711	27,630,018	29,362,134	1,732,116	*23%*	*25%*	*94%*
2026-2027	1,861,725	4,631,148	379,110	14,419,991	6,140,999	164,866	27,597,839	33,208,604	5,610,766	*23%*	*28%*	*83%*
2027-2028	1,861,725	4,631,148	379,110	14,390,215	6,110,237	164,042	27,536,476	36,561,760	9,025,284	*22%*	*31%*	*75%*
2028-2029	1,861,725	4,631,148	379,110	14,360,587	6,079,593	163,221	27,475,384	41,845,135	14,369,751	*22%*	*34%*	*66%*
2029-2030	1,861,725	4,631,148	379,110	14,331,108	6,049,077	162,405	27,414,573	47,206,686	19,792,113	*21%*	*37%*	*58%*
2030-2031	1,861,725	4,631,148	379,110	14,301,777	6,018,825	161,593	27,354,177	53,103,083	25,748,906	*19%*	*40%*	*52%*
2031-2032	1,861,725	4,631,148	379,110	14,272,592	5,988,529	160,785	27,293,888	57,963,542	30,669,653	*18%*	*41%*	*47%*
2032-2033	0	4,631,148	379,110	14,243,552	5,958,133	159,981	25,371,924	64,104,122	38,732,198	*15%*	*42%*	*40%*
2033-2034	0	4,201,148	379,110	14,214,659	5,291,031	159,181	24,245,128	71,364,058	47,118,930	*14%*	*43%*	*34%*
2034-2035	0	4,201,148	379,110	14,185,909	5,003,560	158,385	23,928,112	77,955,040	54,026,928	*13%*	*44%*	*31%*
2035-2036	0	3,901,148	379,110	14,157,303	4,832,355	157,594	23,427,510	84,704,102	61,276,592	*12%*	*45%*	*28%*
2036-2037	0	569,999	379,110	14,128,841	4,579,333	156,806	19,814,089	91,341,143	71,527,054	*10%*	*46%*	*22%*
2037-2038	0	569,999	379,110	14,100,520	4,129,102	156,022	19,334,753	97,283,835	77,949,083	*9%*	*47%*	*20%*
2038-2039	0	569,999	379,110	14,072,342	3,506,292	155,241	18,682,984	101,897,362	83,214,379	*9%*	*48%*	*18%*
2039-2040	0	569,999	379,110	14,044,304	2,962,067	154,465	18,109,945	105,540,154	87,430,209	*8%*	*49%*	*17%*
2040-2041	0	0	379,110	14,016,406	2,819,354	153,693	17,368,563	108,289,238	90,920,675	*8%*	*50%*	*16%*
2041-2042	0	0	379,110	13,988,648	2,794,664	152,924	17,315,346	108,738,693	91,423,347	*8%*	*50%*	*16%*
2042-2043	0	0	379,110	13,961,028	1,643,181	152,160	16,135,479	108,984,213	92,848,734	*7%*	*50%*	*15%*
2043-2044	0	0	379,110	13,933,547	751,988	151,399	15,216,044	109,232,337	94,016,292	*7%*	*50%*	*14%*
2044-2045	0	0	379,110	13,906,203	90,132	150,642	14,526,087	109,483,100	94,957,013	*7%*	*50%*	*13%*
2045-2046	0	0	379,110	13,878,996	0	149,889	14,407,995	109,931,878	95,523,884	*7%*	*50%*	*13%*

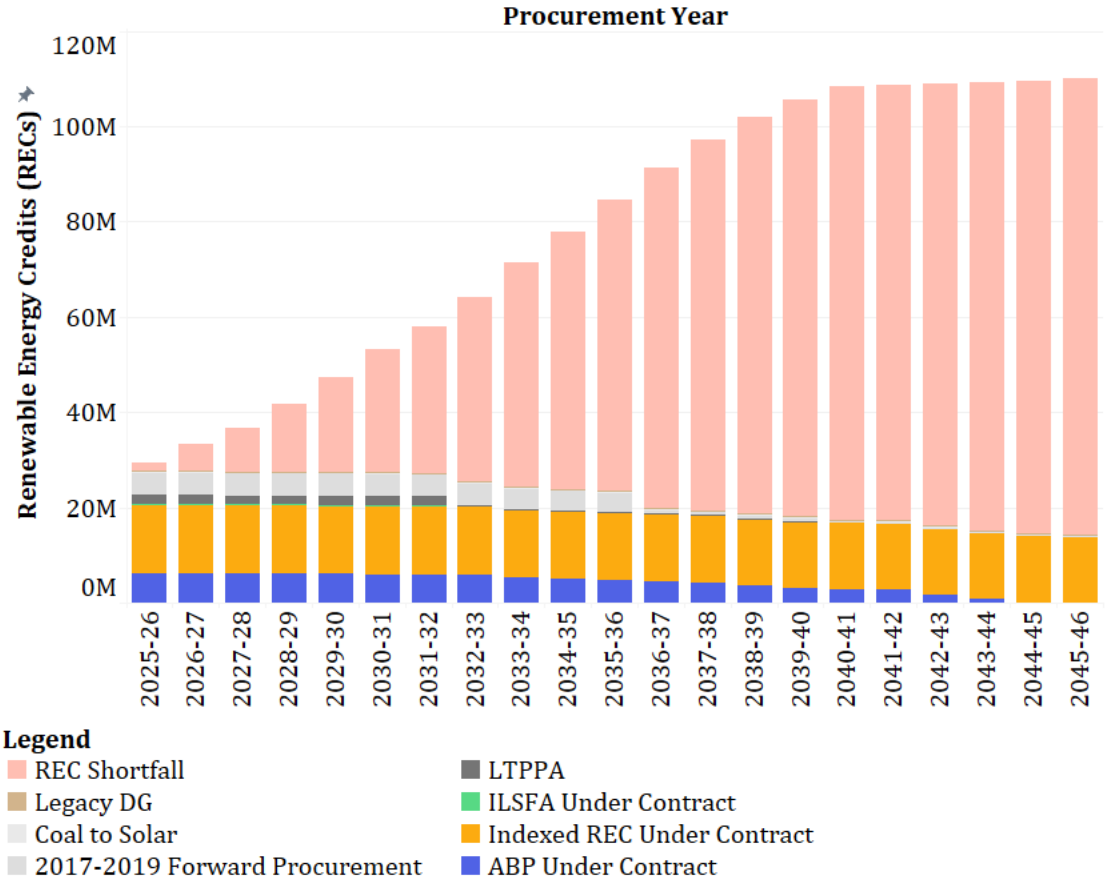
[187] Unadjusted for RECs supplied by an ARES to their retail customers pursuant to Section 1-75(c)(1)(H)(i) of the IPA Act (see Section 3.6 for an explanation of this provision).

[188] The 2010 LTPPAs and 2017-2019 Forward Procurements featured fixed annual delivery volumes. Other solar programs and procurements factor in a 0.5% annual degradation rate for REC deliveries. RECs under contract decline over time due to both that degradation and contract terms ending.

[189] On October 18, 2023, the Agency was notified that three of six selected Coal to Solar REC Contracts had been terminated and this table has been updated to reflect that reduction in Coal to Solar RECs.

Figure 3-5 below is an illustrative summary of the current RPS Goal attainment status, including both RECs under contract and the forecast REC shortfall. RECs under contract are stacked at the bottom of each bar and the evolving REC shortfall stacked at the top item on each bar – growing over time. Importantly, the sum of each stacked bar – the top line – is the RPS Goal (REC obligation) for that each Delivery Year. Table 3-5 does not include future procurements or program results, including those proposed in this Plan, instead providing a current-view snapshot expressing the current RECs under contract relative to the growing REC shortfall as a result of the growing RPS Goals over time.

Figure 3-5: Statewide Annual RPS Goal, Current REC Portfolio and REC Shortfall



Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

The goal of this 2026 Long-Term Plan and subsequent Long-Term Plans is to provide a roadmap for how the RPS targets will be met.

3.2.6 Procurement Targets to Meet Specific Wind-Solar Splits and Overall RPS Targets

To meet the Illinois RPS Targets and RPS Goals, the Agency proposes to procure the REC quantities provided below for the 2026-27 and 2027-28 Program Years. Amidst the ongoing changes in the federal policy landscape, the Agency proposes to maintain an overall objective of meeting the statutorily defined REC procurement targets of 45% from new wind and hydropower projects and 55% from new photovoltaic projects such that these percentages are achieved from the original 45 million REC target through RECs under contract by 2030-31. To do so, for this planning cycle, the 2026 Plan focuses on a technology split that generally maintains this trajectory leading into 2030-31 but with some adjustments across the planning period, as explained further in Section 3.2.3.[190] As provided in Section 3.2.1, the utility load forecasts used in the 2026 Long-Term Plan demonstrate an expectation of substantially increased load growth (as compared to the 2024 Long-Term Plan), primarily driven by the development of data centers throughout the state. This projected load increase has resulted in an increase in the number of RECs required to meet the percentage based RPS Goals as compared to the REC targets defined in the 2024 Long-Term Plan. While the REC targets defined in Table 3-9 are the current values expected to be utilized through this 2026 Long-Term Plan, the targets may be changed or otherwise updated to account for project attrition that could occur during the term of the 2026 Long-Term Plan. As such, these values are a current projection but may change during implementation of the Plan to make-up for project attrition or other related shortfalls.

Table 3-9: REC Targets under 2026 Long-Term Plan

Procurement Year	Total RECs Under Contract	Overall RPS Target (%)	Overall RPS Target (RECs)	RECs proposed to meet RPS	Wind/Hydropower RECs proposed	Solar RECs proposed
2026-2027	27,597,839	28%	33,208,604	6,031,490	2,500,000	3,499,310
2027-2028	27,536,476	31%	36,561,760	5,819,784	2,500,000	3,258,421

~~3.4~~3.3 RPS Budget

~~Statewide Goals~~ The RPS Budget is comprised of the annual RPS collections (monies collected from utility customers) adjusted for the expected annual RPS expenditures (prospective payments to developers under contract for energized facilities that are generating RECs), calculated on an annual delivery year basis. The Agency has completed and proposes to continue to calculate the RPS Budget Forecast – that is, to determine the status of the RPS collections minus the RPS expenditures over time to identify if the RPS expenditures exceed the collections and therefore signaling a need to scale back or cease procurement and program activities.

The RPS Budget collection amount is the maximum dollar amount – as collected through utility customers – available to compensate contracted and energized renewable energy resources (as contracted through the Agency's procurements and programs) for a particular delivery year. The RPS Budget collection amount is calculated by multiplying the kilowatt hours of electricity delivered by the three electric utilities in the reference delivery year by the cost cap set in statue (and explained

[190] Effective January 1, 2024, P.A. 103-0380 includes RECs from modernized or retooled hydropower projects as also eligible for meeting the 45% share allocated to new wind projects.

in greater detail in Section 3.3.1 below). The expenditures for the RPS Budget include the RECs under contract as and when the projects are energized and explicitly not when they are procured.

The RPS Budget collections and expenditures are dependent upon the utility load forecasts, the statutory cost cap, and the expenses resulting from RECs based on when projects under contract reach energization. The REC expenses can vary considerably for three core reasons: (1) project development times can vary significantly – utility-scale project development times often range from 1-5 years while Illinois Shines project range from a few months to about 2 years; (2) project pay-out structures vary, including for example, the RECs under Illinois Shines are paid out upfront for most categories resulting in an immediate budget impact whereas the RECs for Indexed REC procurements are paid out as generated; and, (3) variability in forward energy prices, as Indexed REC procurements index the value of the RECs to the wholesale energy prices calculated at each of the PJM and MISO hubs thus changes in forward energy prices change the prospective REC price and impact the RPS Budget. With the understanding that the RPS Budget is based upon a multitude of factors, the Agency has forecasted the inputs used to inform the RPS Budget in this section while also illustrating the dependencies and challenges of these forecasts and their respective variables, including the impact of these inputs on the RPS Budget. Adding to this complexity is the overlaying of a capped budget with continuously increasing REC targets as the RPS Goals are dependent on forecasted customer load. This results in a budget deficit for those years when REC expenditures exceed collections.

Under current market conditions,[191] the RPS Budget model indicates: (1) an increase in REC procurement volumes from Indexed RECs, Illinois Shines, and Illinois Solar for All will be required to meet the updated Illinois RPS targets due to increases in the underlying utility load forecasts; and (2) an RPS Budget shortfall is projected to occur starting in the 2027-28 Delivery Year (as discussed in Chapter 2, P.A. 103-1066 ensures full, prompt, and uninterrupted payment for any executed contracts, even if the RPS Budget's rate impact cap is exceeded). These observations deviate from prior RPS Budget Forecasts, as the budget deficit is expected to occur earlier than previously forecasted (previously forecast in the 2028-29 Delivery Year). The forecasted shortfall in 2027-28 is largely attributable to project cost increases due to the loss of federal tax credits (for expenses likely to be realized in this same Delivery Year) through the repeal of the Inflation Reduction Act (IRA), along with the addition of tariffs on equipment necessary for construction of renewable energy projects. These costs are subsequently observed through increased project strike prices and REC prices. The current RPS budget model assumes a modeled strike price for Indexed REC procurements for future years as opposed to matching the most recent strike price (as was done historically). These strike prices assume the loss of ITC starting in 2027-28. Similarly, the REC prices from Illinois Shines assume the loss of ITC starting in 2027-28, resulting in about 40% increase of Shines REC prices and thus a larger and earlier budget shortfall when compared to the 2024 Long-Term Plan.

Additionally, were forward energy prices to decline beyond the forward price curves used in RPS Budget Forecast Model in this 2026 Long-Term Plan (price updated as of August 1, 2025) and/or if Program REC Prices were to substantially increase, an RPS Budget shortfall could occur earlier. Section 3.3.4 provides further explanation of how the Agency will modify procurements during a budget shortfall year. For this Plan, the Agency has proposed procurement volumes that will enable Illinois to meet its RPS goals and targets, although doing so will clearly require a statutory change

[191] These conditions generally include: (1) 7/30/2025 forward prices, (2) current forecast strike prices based upon recent history actuals, (3) maintaining currently projected REC contracting, and (4) maintaining the current RPS customer charges. Further details on current state conditions can be found in the RPS Budget model.

increasing authorized collections. Otherwise, the Agency currently predicts a budget shortfall during the year 2027-28, subject to changes in customer load, forward energy prices, future Illinois Shines REC prices, and related variables impacting these conditions which would require the Agency to halt or otherwise scale back procurements and ultimately leave Illinois short of its RPS Target and RPS Goals.

~~3.4.1~~3.3.1 Cost Cap and Allocation of Goals, Cost and RECs from RPS Procurements to Each Utility

The IPA's procurement of RECs on behalf of Illinois electric utilities is subject to monetary limitations in the form of a cost cap that limits the annual average net increase to all eligible retail customers. This cost cap is 4.25% of the amount paid per kilowatthour by eligible retail customers during the year ending May 31, 2009, resulting in an annual RPS Budget when multiplied by the prior year's retail customer sales.[192] The cost cap rate, in dollars per megawatt-hour, is provided in Table 3-10.

The numerical targets included in the Act are *statewide* targets, which do not specify individualized REC targets for each utility. Since the passage of P.A. 99-0906, the Agency has procured RECs through its competitive procurements (for utility-scale projects) based on statewide RPS targets ~~rather than individual targets by utility~~, such that an overall target quantity is published, and projects are selected up to that overall target quantity. ~~Contract quantities stemming from those procurements are then assigned to each of the three participating utilities based on an RPS Budget-weighted basis, meaning that individual utility-scale solar or wind~~Each utility-scale solar or wind/hydropower project will have three REC delivery contracts for load-weighted delivery quantities (one with each for Ameren Illinois, ComEd, and MidAmerican~~).~~), meaning contract quantities stemming from these procurements are assigned to each of the three participating utilities based on an RPS Budget-weighted basis.

Correspondingly, the cost of purchasing RECs from RPS procurements is allocated to each utility through REC procurement contracts specific to the applicable utility (and independent of supplier performance under other utilities' contracts), based on each utility's Renewable Portfolio Standard Budget ~~("RPS Budget")~~ – which is based on customer load.

~~Table 3-9 shows~~Table 3-10 provides the proposed cost allocation distributed across each of the three utilities ~~based on~~subject to each utility's cost cap rate and eligible customer load.[193]

[192] 20 ILCS 3855/1-75(c)(1)(E).

[193] The allocation to each utility is based on the utility's share of the 2024-2025 delivery year RPS Budget and therefore the allocations have been updated from those used in previous Long-Term Plans which relied on prior delivery year values.

Table 33--10109: Utility REC Cost Allocations

Utility	Reference Year Forecasted Delivered Volume [MWh][A]	Cost Cap Rate[B] [$/MWh]	RPS Budget for 2024-2025 Delivery Year [$][C]	Allocation Based on RPS Budget for 2024-2025 Delivery Year [%]
Ameren Illinois	33,963,265	$4.58	$155,398,919	27.09%
ComEd	82,956,872	$5.02	$416,841,690	72.67%
MidAmerican[D]	528,398	$2.63	$1,387,045	0.24%

[A] *The 2023-2024 delivery year is the reference year for the 2024-2025 delivery year.*

[B] *The Cost Cap Rate for each utility is defined in Section 1-75(c)(1)(E) of the Act as 4.25% of the amount paid per kilowatthour by eligible retail customers during the year ending May 31, 2009, which results in a cost cap rate of 0.45755 c/kWh for Ameren, 0.50248 c/kWh for ComEd, and 0.26250 c/kWh for MidAmerican.*

[C] *Beginning with the 2019-2020 delivery year, the RPS Budget for each utility is calculated by multiplying the values of the preceding two columns of the table, as specified by Section 1-75(c)(1)(F) of the Act ("To arrive at a maximum dollar amount of renewable energy resources to be procured for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered [...] by the electric utility in the delivery year immediately prior to the procurement to all retail customers in its service territory.").*

[D] *The methodology to determine MidAmerican's Applicable load is explained in Section 3.7.*

Utility	Reference Year Forecasted Delivered Volume [MWh][A]	Cost Cap Rate[B] [$/MWh]	RPS Budget for 2026-2027 Delivery Year [$][C]	Allocation Based on RPS Budget for 2026-2027 Delivery Year [%]
Ameren	33,148,973	$4.58	$151,673,126	26.15%
ComEd	84,979,000	$5.02	$427,002,479	73.63%
MidAmerican	474,185	$2.63	$1,244,736	0.21%

[A] *The 2023-2024 delivery year is the reference year for the 2024-2025 delivery year.*

[B] *The Cost Cap Rate for each utility is defined in Section 1-75(c)(1)(E) of the Act as 4.25% of the amount paid per kilowatt-hour by eligible retail customers during the year ending May 31, 2009, which results in a cost cap rate of 0.45755 c/kWh for Ameren, 0.50248 c/kWh for ComEd, and 0.26250 c/kWh for MidAmerican.*

[C] *Beginning with the 2019-2020 delivery year, the RPS Budget for each utility is calculated by multiplying the values of the preceding two columns of the table, as specified by Section 1-75(c)(1)(F) of the Act ("To arrive at a maximum dollar amount of renewable energy resources to be procured for the particular delivery year, the resulting per kilowatt-hour amount shall be applied to the actual amount of kilowatt hours of electricity delivered [...] by the electric utility in the delivery year immediately prior to the procurement to all retail customers in its service territory.").*

[D] *The methodology to determine MidAmerican's Applicable load is explained in Section 3.7.*

Under this utility cost allocation, for every $1,000,000 of expenditures made to procure RECs, $270,900261,500 in REC contract obligations would be allocated to Ameren Illinois, $726,700736,300 in obligations to ComEd, and $2,400100 in obligations to MidAmerican.

For this 20242026 Long-Term Plan, the Agency proposes to continue conducting the competitive procurement of RECs based on statewide RPS goals and targets., until a budget shortfall is experienced as further explained in Section 3.3.4. Due to changes in utility load forecasts and to account for the presence of new RECs under contract, thesethe REC target values have been updated from thoseas compared to the previous targets contained in prior Plans. These values include adjustments to account for RECs expected to be retired in the 2023-20242025-2026 delivery year by participants in the Large Customer Self-Direct Programsself-direct program described in Chapter 6.6.

Cost Cap and Cost Recovery Provisions

The IPA's procurement of RECs on behalf of Illinois electric utilities is subject to monetary limitations in the form of a cost cap that limits the annual average net increase to all eligible retail customers. As modified by P.A. 102-0662, this cost cap is 4.25% of the amount paid per kilowatthour by eligible retail customers during the year ending May 31, 2009.[194] The cost cap rate, in dollars per megawatt-hour, is provided in Table 3-9.

Each utility is entitled to recover the costs of RECs procured to meet RPS compliance requirements, subject to the cost cap limitations, along with "the reasonable costs that the utility incurs as part of the procurement process and to implement and comply with plans and processes approved by the Commission."[195]

In addition to changing the cost cap, Public Act 102-0662 made two significant changes to how funds collected by the utilities are accounted for. First, Section 16-108(k) of the PUA now allows for collections from customers to be available for meeting RPS expenses for the five years following collection:

> *Money collected from customers for the procurement of renewable energy resources in a given delivery year may be spent by the utility for the procurement of renewable resources over any of the following 5 delivery years after which unspent money shall be credited back to retail customers. The electric utility shall spend all money collected in earlier delivery years that has not yet been returned to customers, first, before spending money collected in later delivery years.*

Second, Section 16-108(k) of the PUA now provides that any future reconciliation amounts shall be reduced to account for contractual obligations entered into by the utilities but not yet paid:

> *The amount of excess funds eligible to be credited back to retail customers shall be reduced by an amount equal to the payment obligations required by any contracts entered into by an electric utility under contracts described in subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act, even if such payments have not yet been made and regardless of the delivery year in which those payment obligations were incurred. Notwithstanding anything to the contrary, including in tariffs authorized by this subsection (k) in effect before the effective date of*

[194] 20 ILCS 3855/1-75(c)(1)(F).

[195] 220 ILCS 5/16-108(k).

> *this amendatory Act of the 102nd General Assembly, all unspent funds as of May 31, 2021, excluding any funds credited to customers during any utility billing cycle that commences prior to the effective date of this amendatory Act of the 102nd General Assembly, shall remain in the utility account and shall on a first in, first out basis be used toward utility payment obligations under contracts described in subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act.*

Prior to the enactment of Public Act 102-0662, Section 16-108(k) of the PUA required annual reconciliation of collections and expenditures after June 1, 2021. This proved unduly constraining, as expenses rolled forward into future years (aggravated by project energization delays) the collections could not be rolled forward to meet those expenses. This limited available budget, preventing the Agency from opening additional blocks of the Adjustable Block Program or conducting additional utility-scale procurements. The COVID-19 global health pandemic further exacerbated this problem, as many expenditures that had been projected to occur prior to June 1, 2021, were pushed out well beyond that date due to resultant project development delays. These unforeseen delays due to COVID-19 could have resulted in a significant refund of unexpended—but contractually committed—RPS funds.

This potentially left the Agency with an available RPS budget too small to meet contracted RPS expenses. Consequentially, the IPA petitioned the ICC to reopen Docket No. 19-0995 approving the Agency's First Revised Plan seeking clarification around the process by which payment deferrals on REC delivery contracts would occur. While the Commission entered an Order providing that clarification in May of 2021, the enactment of Public Act 102-0662 rendered this payment deferral issue moot.

Utilities are able to recover all of their costs—whether associated with RECs previously procured through prior-executed contracts, procured through the Initial Forward Procurements, procured through other competitive procurements, or procured through the other programs resulting from the implementation of the IPA's long-term renewable resource procurement plans[196]—through tariffs applicable to all of the utilities' customers. With the enactment of Public Act 102-0662, the utilities filed revised tariffs to implement these revised rate collection levels.

RPS Compliance Procurement Priorities

The Act provides guidelines for prioritizing REC procurements in the event that the cost cap limitations conflict with the RPS goals and targets such that the IPA cannot procure sufficient additional quantities of RECs to meet goals or targets.[197] Under Section 1-75(c)(1)(F) of the IPA Act, these priorities regarding the procurement of RECs take the following order, arranged based on descending priority:

- RECs procured under existing contracts (as of June 1, 2021);
- RECs procured with funding for the Illinois Solar for All Program;
- RECs procured to comply with the new wind and solar photovoltaic procurement requirements (including the Illinois Shines Program);
- RECs procured to meet the remaining RPS targets (Goal REC Gap).

[196] This is true for those expenses for which the utility is the counterparty; for the Illinois Solar for All Program, the State of Illinois is the counterparty to REC delivery contracts paid using the Renewable Energy Resources Fund.

[197] 20 ILCS 3855/1-75(c)(1)(F).

In contrast to the situation where the cost cap conflicts with RPS Goals and Targets, Section 1-75(c)(1)(C)(ii) directs that even if goals and targets are met, funds shall continue to be spent:

> *In any given delivery year, if forecasted expenses are less than the maximum budget available under subparagraph (E) of this paragraph (1) the Agency shall continue to procure new renewable energy credits until that budget is exhausted in the manner outlined in item (i) of this subparagraph (C).*

Subparagraph (E) sets the budget for each year based on a calculation of each utility's prior year MWH volume of sales and the 4.25% rate cap (as discussed in Section 3.4.2). The available funds are also impacted by additional considerations in including the ability of funds to be available for five years after collection and the reserve of utility-held alternative compliance payments (ACPs") (see Sections 3.4.2 and 3.5). Item (i) of subparagraph (C) establishes targets of 10 million RECs for 2021 and 45 million RECs for 2030 respectively, as well as the split between solar and wind as described in Section 3.3.5. Thus, the Agency understands that Section 1-75(c)(1)(C)(ii) directs the Agency to maximize procurement volumes where possible.

However, uncertainty around the development timelines of RPS-supported renewable energy projects results in uncertainty around payment commencement dates and when RPS budget impacts will be felt. As a result, the Agency must analyze not only what funds are available in a given delivery year, but also what portion of the budget may need to be reserved for future delivery years. As a simplified example, assume that forecasted expenses for a year are $10 million less than the budget available for the year. But, due to prior conducted procurements and programs, the projected budget for the following year relies on that $10 million being rolled over into that next delivery year to fully cover projected expenses. In this circumstance, it would be irresponsible to conduct additional procurement activities in the current delivery year and create $10 million in new commitments if those funds would be needed for that future delivery year. As evidenced by this example, analyzing RPS budget availability requires the Agency to be proactively analyzing the cascading impacts of commitments on future delivery years.

As shown in Table 3-11 and Table 3-12, the Agency has considered the budget impacts of:

- Procurements and Program activity through March 2024 (REC quantities and payment obligations under existing contracts)
- Remaining 2023-2024 program year block capacity for Illinois Shines
- Annual funding allocation to the Illinois Solar for All Program
- Indexed REC Procurements proposed in this Plan
- Illinois Shines Program blocks and REC prices proposed in this Plan
- Current participation in the Large-Customer Self Direct Program
- Estimates of activities in subsequent delivery years that would be proposed in subsequent Long-Term Plans to meet the 45 million RECs by 2030 target and further expand that to hit 60 million RECs by 2040 which would meet the 50% RPS goal. These include both future Indexed REC procurements, Illinois Shines blocks of capacity, and annual Illinois Solar for All budget allocations

Based on assessing these budget impacts, the Agency projects that the available funding left yearly will be approximately equivalent to one to two years of collections through the 2020s. However, that amount declines over time before eventually there is a projected budgetary shortfall in the 2030s.

This modeling suggests that the oldest funds available for use would never be more than two years old, and thus funds are highly unlikely to be subject to reconciliation due to not having been used across the five years following collection.

As discussed further in Sections 3.4.6 through 3.4.10 below, modeling future RPS budget availability is complex. To illustrate this difficulty, future energy prices are utilized to calculate forecast Indexed REC prices. Due to fluctuation in forecasts of future energy prices, depending on when the energy price forecast is conducted, the resulting impact on future budget impact can be significant. Similarly, the Illinois Shines Program REC prices used for this budget analysis begin with those for the 2024-2025 program year and feature an annual 4% decline for program years thereafter. Actual REC prices for future years will vary from the 4% decline used in the modeling for this Plan as the Agency updates inputs into its REC Pricing Model each year,[198] with consideration made by market-based price adjustments, and further refines REC prices in future Long-Term Plans.

Due to these multiple uncertainties related to future costs, a very large error band must be applied to any budget forecasts. For this Plan, the Agency has proposed quantities for competitive procurements and Illinois Shines Program block sizes that will put it on a path to having procured 45 million RECs delivered annually from new projects by the 2030 delivery year despite those uncertainties. The Agency continues to monitor forward energy prices, future Illinois Shines REC prices, and other variables making adjustments as needed, although to achieve a higher level of budget certainty will require statutory changes to the IPA Act.

RPS Budget and Cost Cap

As described in Section 3.4.2, the Act imposes monetary limitations on the RPS in the form of a cost cap that limits the annual average net increase in rates to retail customers. The cost cap rate, in cents per kilowatt-hour, unique to each utility and is provided in Table 3-9. The cents per kilowatt-hour rate is applied to the actual electricity (expressed in kilowatt-hours) delivered in the delivery year immediately prior to determine the maximum dollar amount which is the RPS Budget for the delivery year. Specifically, the Act states that:

> *Notwithstanding the requirements of this subsection (c), the total of renewable energy resources procured under the procurement plan for any single year shall be subject to the limitations of this subparagraph (E). Such procurement shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than 4.25% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009. To arrive at a maximum dollar amount of renewable energy resources to be procured for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered, or applicable portion of such amount as specified in paragraph (1) of this subsection (c), as applicable, by the electric utility in the delivery year immediately prior to the procurement to all retail customers in its service territory. The calculations required by this subparagraph shall be made only once for each delivery year at the time that the renewable energy resources are procured. Once the determination as to the amount of renewable energy resources to*

[198] See Section 7.5 for more information on the REC Pricing Model.

procure is made based on the calculations set forth in this subparagraph (E) and the contracts procuring those amounts are executed, no subsequent rate impact determinations shall be made and noadjustments to those contract amounts shall be allowed. All costs incurred under such contracts shall be fully recoverable by the electric utility as provided in this Section.[199]

A utility's annual RPS Budget is calculated using the following formula.

Equation 3-2: Annual RPS Budget

Annual RPS Budget ($/Year) = Prior Year Delivered Electricity (MWh) * Cost Cap Rate ($/MWh)

A utility's delivery year remaining net RPS Budget ("Net RPS Budget") is determined by subtracting the following items from the utility's total RPS Budget: the direct financial obligations from existing REC contracts ("Contracted REC Spend"), the balance associated with unfilled Illinois Shines Program block capacity, ("Scheduled REC Spend"), and indirect costs.[200] This calculation is shown in Equation 3-3.

Equation 3-3: Annual Net RPS Budget

Delivery Year Net RPS Budget = Annual RPS Budget + Unexpended RPS Budget from Prior Year[201] *+ Utility-held ACP balances – Contracted REC Spend – Scheduled REC Spend – Illinois Solar for All Allocation – Set Asides Allocation*

Other Expenses

Aside from direct expenditures on RECs, the RPS budget also features allocations for several additional purposes. First, pursuant to Section 1-75(c)(1)(O) of the Act, up to $50,000,000 each year will be allocated to the Illinois Solar for All Program.[202] Second, also pursuant to Section 1-75(c)(1)(O), in each of the delivery years 2021-2022, 2024-2025, and 2027-2028, $10,000,000 of ComEd's RPS Budget will be allocated to the Department of Commerce and Economic Opportunity (DECO) to fund solar job training programs pursuant to Section 16-108.12 of the PUA.

Third, a portion of each budget will be set aside for administrative expenses (including, but not limited to, expenses related to development of Plan updates, the management of procurements and programs, Illinois Shines Program Administrator expenses not covered by fees charged to participants, and fees charged by tracking systems for the retirement of RECs). The IPA proposes to set aside 3% of the budget for these administrative expenses and will refine this amount as more information becomes available. Table 3-10 shows the annual RPS funds to be allocated to each of these Set Asides.

[199] 20 ILCS 3855/1-75(c)(1)(E).

[200] Indirect costs include: (i) allocation to fund the Illinois Solar for All Program, (ii) allocation to fund job training programs, and (iii) set aside for administrative expenses ("Set Asides Allocation").

[201] Unexpended budget funds from prior years are subject to a rolling five-year first-in/first-out accounting system. Funds collected in a given year and not spent after five years are subject to reconciliation. However, any reconciliation amount that could be refunded to ratepayers is also reduced by an amount equal to the outstanding contracted payment obligations of the utility.

[202] Prior to the enactment of Public Act 102-0662 the annual allocation to the Illinois Solar for All Program was the greater of 5% or $10 million of the utility RPS budget. This increase is discussed in more detail in Section 8.4.3.

~~Table 3-10: Statewide RPS Budget Set Asides~~

Delivery Year	Illinois Solar for All	Job Training (DCEO Budget)	Administrative Expenses (3% of Annual RPS Budget)	Total Set Asides
DY23	$50,000,000	$0	$17,322,647	$67,322,647
DY24	$50,000,000	$10,000,000	$17,208,830	$77,208,830
DY25	$50,000,000	$0	$16,997,493	$66,997,493
DY26	$50,000,000	$0	$16,888,811	$66,888,811
DY27	$50,000,000	$10,000,000	$16,862,405	$76,862,405
DY28	$50,000,000	$0	$16,906,427	$66,906,427
DY29	$50,000,000	$0	$16,920,397	$66,920,397
DY30	$50,000,000	$10,000,000	$17,023,387	$77,023,387
DY31	$50,000,000	$0	$17,120,451	$67,120,451
DY32	$50,000,000	$0	$17,234,403	$67,234,403
DY33	$50,000,000	$0	$17,289,396	$67,289,396
DY34	$50,000,000	$0	$17,378,694	$67,378,694
DY35	$50,000,000	$0	$17,444,211	$67,444,211
DY36	$50,000,000	$0	$17,522,170	$67,522,170
DY37	$50,000,000	$0	$17,559,699	$67,559,699
DY38	$50,000,000	$0	$17,642,752	$67,642,752
DY39	$50,000,000	$0	$17,710,239	$67,710,239
DY40	$50,000,000	$0	$17,790,827	$67,790,827
DY41	$50,000,000	$0	$17,846,294	$67,846,294
DY42	$50,000,000	$0	$17,902,792	$67,902,792

~~Expenses and Available RPS Budgets~~

~~The aggregation of Expenses and RPS Budgets at a statewide level provides an important tool for planning and implementing the various procurements and programs under this 2024 Long-Term Plan. This section presents a base case projection of the RPS budget through the 2042-2043. This base case includes a set of assumptions that the Agency believes are accurate for planning purposes based on presently available information available at this time. However, as discussed in Sections 3.4.6 through 3.4.10 there are many variables that are not stagnant and likely will deviate over time. Depending on the magnitude of deviation, future RPS budgets may look significantly different. As mentioned elsewhere in this Plan, the Agency believes that legislative action will be needed to make structural changes to the RPS (particularly the Indexed REC procurement model) to reduce the risks and uncertainty identified herein. Table 3-11 presents a statewide view of expected expenses. This includes:~~

- ~~Expenses from the 2010 Long-Term Power Purchase Agreements;~~
- ~~Expenses from the Forward Procurements conducted in 2017-2019;~~
- ~~Expenses from the Illinois Shines Program from projects contracted between 2019 and March 2024;~~
- ~~Projected expenses from the remaining capacity for the 2023-2024 program year for the Illinois Shines Program not yet contracted;~~

- Projected expenses for the blocks of capacity proposed in Chapter 7 for the Illinois Shines Program for the program years 2024-2025 and 2025-2026.
- Projected expenses for RECs from Utility-scale Wind, Utility-Solar, and Brownfield Photovoltaic Projects conducted to date, and the procurements proposed in Chapter 5 to be conducted in the 2024-2025 and 2025-2026 delivery years;
- Projected expenses for future blocks of the Illinois Shines Program from 2026 through 2040, and projected expenses from Indexed REC procurements to be conducted in 2026 through 2040. Illinois Shines block sizes and REC prices, and Indexed REC procurement volumes will be determined in future Long-Term Plans. For this projection they are assumed to be in volumes designed to meet the 2030 and 240 RPS goals of 40 and 50% respectively.
- Set asides as described in Section 3.4.5.

In projecting expenses from the Illinois Shines Program, the analysis assumes that blocks fill every year and projects are energized (and thus start receiving payments) by their contracted energization deadlines. Projected Illinois Shines expenses are calculated with REC prices for the 2023-2024 delivery year for the remaining program year capacity. The REC prices provided in Section 7.5. for the 2024-2025 program year with a 4% decline applied to prices each subsequent year for future year blocks of capacity are used for the projected Illinois Shines expenses. As discussed in Section 7.3.3, block sizes for the Illinois Shines Program are expressed on a megawatt basis and a standard capacity factor is used to convert those sizes into REC quantities. For the purpose of the budget model presented here, REC quantities and their associated expenses use category-specific capacity factors.

Indexed REC projects are assumed to begin REC deliveries three years after the procurement date. For modeling future expenses from Index REC procurements, the Plan utilizes a forward price curve as discussed in Section 5.4.6. This price curve is an average using data obtained from two industry-standard data providers—EOX and Argus—as of March 1, 2024.[203] RECs from completed procurements, the REC price is calculated as the difference between the strike price and forward price curve for the year, and can fluctuate as either a positive or negative value.[204] For RECs from future procurements, the budget analysis assumes a 2% annual increase in strike prices.

[203] As discussed in Section 3.4.9, forward energy prices change over time and this forward price curve reflects lower prices than the analysis previously conducted by the Agency in April 2023. This results in higher Indexed REC prices with a larger impact on the budget forecast.

[204] For more information on strike prices for Indexed REC procurements, see Sections 2.7.4.1 and 5.4.

~~Table 3-11: Projected RPS Expenses ($ millions)~~

Delivery Year	ABP Under Contract	Utility Scale Under Contract	2023 Delivery Year	24-25 Long Term Plan	Total Future Plans	Fixed Spending Including ILSFA	Total Expenses
2023-2024	$472,372,282	$40,315,922			$0	$67,322,647	$580,010,851
2024-2025	$329,109,174	$78,625,645	$0		$0	$87,208,830	$494,943,649
2025-2026	$330,371,145	$122,478,211	$204,284,232	$0	$0	$66,997,493	$724,131,082
2026-2027	$191,269,411	$130,947,897	$257,496,415	$204,284,232	$0	$66,888,811	$850,886,767
2027-2028	$168,235,412	$119,946,176	$192,902,258	$330,511,882	$37,110,066	$86,862,405	$935,568,198
2028-2029	$149,431,704	$118,449,743	$188,190,563	$188,709,817	$239,880,819	$66,906,427	$951,569,073
2029-2030	$147,751,635	$102,187,449	$187,073,442	$187,290,997	$309,607,103	$66,920,397	$1,000,831,023
2030-2031	$144,391,245	$108,104,424	$177,609,669	$177,826,136	$322,370,570	$87,023,387	$1,017,325,430
2031-2032	$120,127,810	$124,828,656	$180,743,172	$180,958,557	$401,005,280	$67,120,451	$1,074,783,926
2032-2033	$95,159,581	$123,878,719	$156,673,649	$190,267,032	$539,478,820	$67,234,403	$1,172,692,203
2033-2034	$94,683,833	$115,579,676	$120,938,259	$158,518,621	$608,666,022	$67,289,396	$1,165,675,807
2034-2035	$94,210,348	$102,116,355	$111,776,456	$117,098,911	$629,300,675	$67,378,694	$1,121,881,439
2035-2036	$93,739,148	$89,750,399	$103,831,364	$104,042,474	$503,203,289	$67,444,211	$962,010,885
2036-2037	$93,270,665	$71,100,602	$98,481,273	$98,691,327	$443,175,971	$67,522,170	$872,242,009
2037-2038	$92,804,264	$57,911,426	$94,205,957	$94,414,961	$389,502,380	$67,559,699	$796,398,687
2038-2039	$92,339,656	$51,844,829	$89,775,288	$89,983,247	$329,809,185	$67,642,752	$721,394,956
2039-2040	$91,878,445	$46,273,942	$86,054,496	$86,261,415	$274,489,997	$67,710,239	$652,668,534
2040-2041	$91,418,879	$39,154,531	$82,617,272	$82,823,157	$219,242,156	$67,790,827	$583,046,822
2041-2042	$90,962,309	$33,327,937	$78,295,221	$78,500,076	$136,841,021	$67,846,294	$485,772,858
2042-2043	$90,507,161	-$52,208,605	$74,712,328	$74,916,159	$148,711,130	$67,902,792	$404,540,966

~~As discussed further in Sections 3.4.7 through 3.4.10, the RPS Budget is sensitive to changes in modeling assumptions, such as future REC prices, procurement quantities and the price of electricity. The budget as presented in this Chapter is only representative of current information as of the release of the final 2024 Long-Term Plan. The Agency continues to update its model as better data becomes available. Ultimately, the uncertainties identified herein underscore the need for legislative action to create better funding certainty for the RPS.~~

~~For each delivery year, Table 3-12 calculates expected RPS collections based on the load data listed in Table 3-4 and the RPS collection rates listed in Table 3-9 and the expenses from Table 3-11. Table 3-12 calculates, for each year, an expected beginning and ending balance. The 2023-2024 delivery year starting balance includes utility-held ACP as well as funds collected but not spent in delivery years 2017-2018 through 2022-2023. Increased Large Customer Self-Direct Program participation may reduce overall procurement volumes in future years, necessitating reduced expenses along with reduced collections.~~

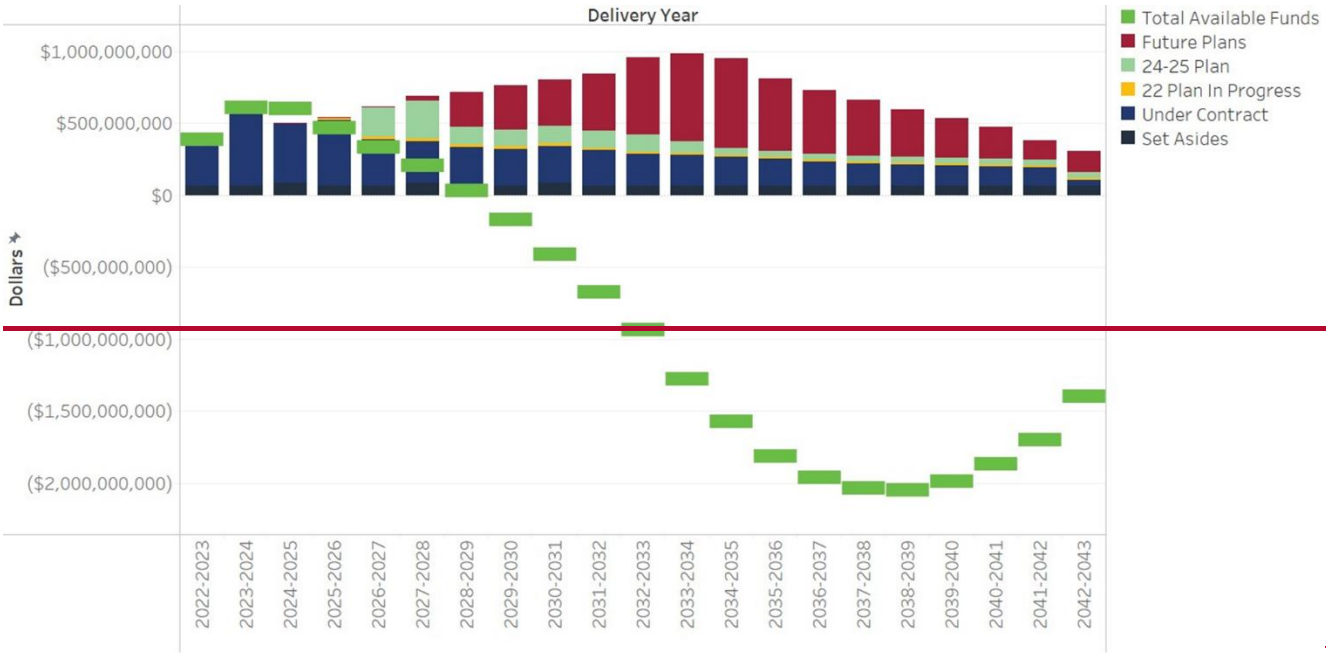
~~Table 3-12: RPS Funds and Expenditures ($ millions)~~[205]

Delivery Year	Delivery Year Starting Balance	RPS Collections	Total Funds Available	Total Expenditures	Delivery Year Ending Balance
DY23	$ 607,245,524	$ 577,421,570	$ 1,184,667,093	$580,010,851	$ 604,656,242
DY24	$ 604,656,242	$ 573,627,652	$ 1,178,283,894	$709,641,263	$ 468,642,630
DY25	$ 468,642,630	$ 566,583,113	$ 1,035,225,743	$701,971,160	$ 333,254,583
DY26	$ 333,254,583	$ 562,960,380	$ 896,214,963	$692,621,238	$ 203,593,725
DY27	$ 203,593,725	$ 562,080,155	$ 765,673,881	$733,782,382	$ 31,891,499
DY28	$ 31,891,499	$ 563,547,566	$ 595,439,065	$762,784,032	$ (167,344,967)
DY29	$ (167,344,967)	$ 564,013,238	$ 396,668,270	$810,496,347	$ (413,828,076)
DY30	$ (413,828,076)	$ 567,446,231	$ 153,618,155	$829,824,898	$ (676,206,743)
~~DY31~~	~~$ (676,206,743)~~	~~$ 570,681,709~~	~~$ (105,525,035)~~	~~$827,747,591~~	~~$ (933,272,626)~~
DY32	$ (933,272,626)	$ 574,480,087	$ (358,792,539)	$919,493,548	$ (1,278,286,086)
DY33	$ (1,278,286,086)	$ 576,313,202	$ (701,972,885)	$868,937,833	$ (1,570,910,718)
DY34	$ (1,570,910,718)	$ 579,289,793	$ (991,620,924)	$821,158,795	$ (1,812,779,719)
DY35	$ (1,812,779,719)	$ 581,473,695	$ (1,231,306,025)	$733,371,844	$ (1,964,677,868)
DY36	$ (1,964,677,868)	$ 584,072,322	$ (1,380,605,546)	$657,761,437	$ (2,038,366,983)
DY37	$ (2,038,366,983)	$ 585,323,292	$ (1,453,043,691)	$593,278,064	$ (2,046,321,755)
DY38	$ (2,046,321,755)	$ 588,091,719	$ (1,458,230,036)	$529,966,831	$ (1,988,196,867)
DY39	$ (1,988,196,867)	$ 590,341,291	$ (1,397,855,576)	$471,146,587	$ (1,869,002,163)
DY40	$ (1,869,002,163)	$ 593,027,557	$ (1,275,974,606)	$422,250,345	$ (1,698,224,951)
DY41	$ (1,698,224,951)	$ 594,876,469	$ (1,103,348,482)	$298,177,573	$ (1,401,526,055)
DY42	$ (1,401,526,055)	$ 596,759,749	$ (804,766,306)	$160,802,327	$ (965,568,633)

~~Figure 3-4 illustrates year by year spending by type (Under Contract, 2023 Activities, 2024-2025 Plan proposed, potential future plans, and set asides) compared to year-to-year budget availability.~~

[205] ~~Breakdowns of the information presented in Table 3-11 and Table 3-12 by each utility, and information on the breakdown of expenses by program/resource type can be found in Appendices B-1 and B-2 A full spreadsheet version of Appendix B-2 is available on the Agency's website at: https://www2.illinois.gov/sites/ipa/Pages/2024-LTRRPP-Appendices.aspx.~~

Figure 3-4: RPS Expenditures Compared to Annual Available Funds



Based on the forecast of revenue and expenses, the IPA projects sufficient funding will be available to support the proposals contained in this Plan, similar levels of program activity and procurements for the balance of the decade. However, the IPA projects a shortfall beginning in the 2029-2030 delivery year. Future budget impacts carry significant uncertainty due to unknowns including the impact of changes in REC Prices adopted in this or future Long-Term Plans, actual REC prices paid from indexed REC contracts, changes in utility loads (and thus RPS collections), and the impact of the Large Customer Self-Direct Program.

Under this analysis, delivery year starting balances never exceed two and a half years of funding collections which indicates that funds spent in any given delivery year are funds collected that year or the previous year.

As previously committed to through the First Revised Plan, the Agency will seek to limit contractual obligations to no more than 95% of expected available funds for any given delivery year to guard against the potential payment reduction of existing contracts. The Agency has multiple opportunities in subsequent Long-Term Plans to make adjustments to REC prices, procurement targets, or other factors as more information becomes available that will allow for the Agency to ensure that a shortfall does not occur and that future budgets remain within that 95% target. Appendix B includes additional information showing how these current assumptions would extend through the 2042-2043 delivery year.

Budget Uncertainty Due to Unknowns in Project Energization Timelines

A challenge the Agency has faced in modeling future budget impacts is that project energization and REC deliveries – and thus resultant budget impacts – are not scheduled to begin at a known and fixed point after contract execution. Because payments generally only commence upon project

energization, the Agency cannot model with certainty when funds for specific projects will begin to be spent, and as a proxy uses the scheduled energization date for each project for Illinois Shines projects.

This paradigm has proven to be challenging in modeling budgets for present and future delivery years. P.A. 102-0662's changes to Section 16-108(k) of the PUA, including the ability for funds to be available for five years following collection (and utilized on a "first-in, first-out" basis) and separation from reconciliation contractual obligations entered into but not yet paid, help mitigate some of these challenges. However, the large size of first payments could still create future constraints from a cash flow perspective. As indicated in Section 3.5, flexibility with the use of utility-held ACPs creates a relief to that potential pressure.

Uncertainty also exists for utility-scale projects which frequently face delays in project energization. However, due to the non-frontloaded structure of Indexed REC contracts, those projects' energization timelines create less budget uncertainty. The greater uncertainty related to Indexed REC contracts is how future energy prices may change as discussed in Section 3.4.9.

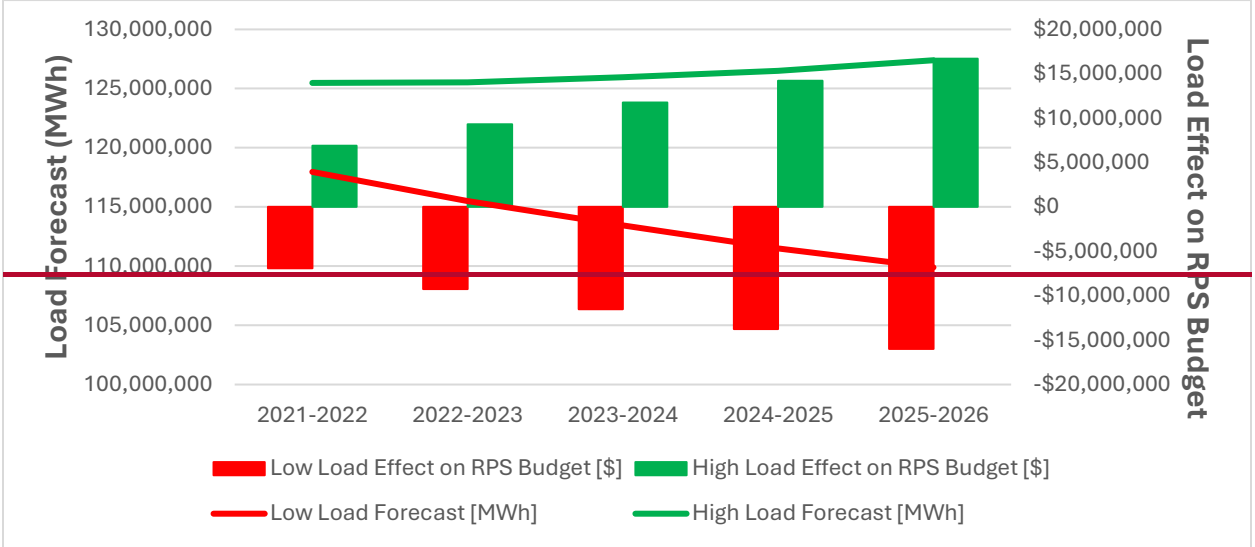
Budget Uncertainty Due to Annual Load Variations

The annual RPS Budget used in this 2024Long-Term Plan has been developed using base case load forecasts provided by the utilities and each utility's statutory cost cap. These load forecasts are driven by a number of factors, which include but are not limited to weather, economics, demographics, assumed demand response, and energy efficiency. Changes to any of the assumptions will result in actual load deviating from forecasted load. Examples include changes in weather patterns, changes in energy efficiency adoption rates, and changes to economic conditions. In practice, the annual RPS Budget for a delivery year will depend on the actual reference year load for each utility, which will likely deviate from the forecasted loads provided by the utilities—although in which direction that deviation will occur is impossible to know until that delivery year.

To see how deviations from the Base Case load forecasts may affect available RPS budgets, the IPA conducted a comparative analysis of the RPS Budget based on the Base Case, High Case, and Low Case. Load forecast data for Ameren Illinois and ComEd were used for this analysis. The RPS Budget for each utility, for each load case, is based on the product of the Applicable Load for a given year and the cost cap rate shown in Table 3-9.[206] For each utility, the impact of the High Case and Low Case is the difference between the RPS budget for each case and the RPS Budget for the Base Case. The total is the sum of the differences for these utilities.

[206] The load data for the Base Case, High Case, and Low Case for Ameren and ComEd was provided by the utilities as part of their data submissions for this Second Revised Plan.

Figure 3-5: Effect on RPS Budget of Annual Load Variations to the Utilities' Load Forecast



As shown in Figure 3-5 above, the impact of the low load forecast on the RPS Budget ranged from a reduction compared to the base case RPS Budgets of approximately $5.1 million in delivery year 2021-2022 to a reduction of approximately $16 million in delivery year 2025-2026. Alternatively, the impact of the high load forecast on the RPS Budget ranged from an increase compared to the base case RPS Budgets of approximately $7 million in delivery year 2021-2022 to an increase of approximately $16.7 million in delivery year 2025-2026. This constitutes a +/- 2 to 3.5% error band on annual RPS collections.

Load forecast uncertainty increases over time, as factors such as economic indicators and climate/weather are compounded and inherently more difficult to predict for later years. That increasing uncertainty underscores the need for careful consideration as the Agency considers the impact of procurements and programs on future year budgets.

Budget Uncertainty Due to Changes in Indexed REC Prices

As described in Sections 2.6.4 and 5.4.4, for procurements conducted since the enactment of P.A. 102-0662, the price for RECs from utility-scale projects is no longer a fixed REC price. This is in contrast to Forward Procurements conducted between 2017 and 2019, and for the Illinois Shines and Illinois Solar for All Programs. Instead, the price paid for Indexed RECs is based on the difference between the strike price named by the bidder and the monthly energy settlement price for one of the two hubs in Illinois. This creates a challenge for budget modeling in that the price of electricity in future years is not knowable, and thus future REC prices for Indexed REC projects are also not knowable.

The base case budget presented in this chapter utilizes a forward price curve derived from data as of August 1, 2023. The Agency notes that a forward price curve is the projection of future prices in today's dollars, but not a forecast of future spot prices. Externalities such as changes in future economic conditions, state and federal policies, or technology developments will all impact future energy prices. Given the volatility of short-term and long-term energy prices, any projection of energy prices 20 years into the future (or even over much shorter timeframes) can never be fully accurate.

A medium-term illustration of this phenomenon can be seen in Figure 3-6 which is a graph of the futures price for August 2028 ComEd on-peak energy. Over the course 2023, the ComEd August 2028 on-peak forward price has ranged from a low of $43/MWH to a high of $66/MWH before settling into a range in the high $50s between June and December 2023, and then rising to $68 over the first three months of 2024. Over the next five years, these prices will continue to fluctuate.

Figure 3-6: August 2028 ComEd On-Peak Futures Prices[207]

Considering Alternative Budget Scenarios

On April 14, 2023, the Agency published an RPS budget update.[208] That update included a presentation of ten scenarios showing how fluctuations in future energy prices and/or future strike prices for Indexed REC procurements could impact the RPS Budget. While all scenarios were reasonable methodological approaches, some scenarios resulted insignificant funds available for the RPS in future years, while others resulted in significant budgetary shortfalls. Further, the scenario analysis in this April update only explored the impact of variables associated with Indexed REC procurements; if changed assumptions were made of future REC prices for Illinois Shines, that modeling would demonstrate similar uncertainty. While the Agency has the ability to manage future Illinois Shines REC prices through future Long-Term Plans, the Agency does not determine prices in energy markets, and thus cannot control future Indexed REC prices.

For this 2023 Long-Term Plan, the Agency has considered additional ways to model budget uncertainty. One approach that was considered was to conduct a regression analysis. A regression analysis is a statistical approach used to determine the impact of independent variables on dependent variable(s) of interest. For example, a regression analysis could be used to model the

[207] Source: https://www.cmegroup.com/markets/energy/electricity/pjm-comed-5-mw-peak-calendar-month-day-ahead-lmp-swap-futures.html#venue=globex. The Forward Price Curve used by the Agency in this plan is derived from proprietary data obtained from Argus and EOX. This graph is from a publicly available source and is the furthest in the future data available from CME Group.

[208] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/rps-budget-update-14-april-2023-2pm.pdf.

~~relationship between REC prices that are dependent on both energy prices and strike prices. Ordinary Least Squares ("OLS") regression models aid in demonstrating how changes in independent variables impact changes to a dependent variable, by determining the equation of a line or curve that best describes their relationship.~~

~~OLS is a widely recognized and commonly used regression method, valued for its ease of implementation and straightforward interpretation of statistical outcomes. Its advantageous characteristics includes the accessible nature of inputs and outputs, making its implementation and interpretation of statistical results readily available. However, its disadvantages which includes making many assumptions when outlining the parameters of the model. The method is also sensitive to outliers that may skew the results. OLS requires huge datasets to provide reliable results that are robust. Robust least square is an alternative to the OLS method when data has outliers.~~

~~However, OLS does have limitations including sensitivity to outliers and requiring significant assumptions. Most importantly, OLS relies on substantial datasets to ensure reliable and robust conclusions. As the Agency considered using regression analysis for modeling RPS Budget uncertainty, the limited frequency of Indexed REC procurement events and the resulting price information from those events limits its applicability. The Agency will continue to evaluate if there are datasets that would be sufficient for a regression analysis to be conducted in the future.~~

~~Instead, the Agency has determined to continue with the approach of conducting a sensitivity analysis of the RPS Budget for this 2024 Long-Term Plan.~~

~~To simplify the sensitivity analysis, this 2024 Long-Term Plan analyzes just three scenarios; a base case (as presented in previous sections), a high forward price curve case, and a low forward price curve case. The high and low scenarios take the forward price curve and modify it using historical Illinois high and low energy price data over the past decade taken from the Energy Information Administration (EIA) as indicators of potential variation in historical deviation in Illinois energy prices. To better model potential price deviations, the Agency is using historical minimums and maximums. This is because the change in forward price forecasts are not only caused by changes in electricity demand, price deviations are often impacted by exogenous factors to the electricity market. Exogenous factors include unexpected events that may influence forward prices positively or negatively such as Covid-19. Exogeneous shocks to electricity prices are not just short-term impacts, exogeneity can have persistent, sustaining, impacts to electricity prices such as price deviations seen during delivery year 2020-2021 in part due to the Covid-19 pandemic. Since 2007, the largest annual decrease in energy prices has been 13.03% and the largest annual increase in energy prices has been 13.1%. Using those variations, the year-end RPS balances would vary as shown in Table 3-13.~~

~~Table 3-13: RPS Budget Sensitivity Analysis~~

Delivery Year	Base Case	High Price Curve Scenario	Low Price Curve Scenario
2023-24	$ 604,656,242	$ 604,656,242	$ 604,656,242
2024-25	$ 468,642,630	$ 482,723,675	$ 454,561,586
2025-26	$ 333,254,583	$ 377,730,044	$ 288,779,123
2026-27	$ 203,593,725	$ 284,316,563	$ 122,870,888
2027-28	$ 31,891,499	$ 189,825,569	$ (126,042,571)
2028-29	$ (167,344,967)	$ 95,257,335	$ (429,947,269)
2029-30	$ (413,828,076)	$ (17,321,069)	$ (810,335,084)
2030-31	$ (676,206,743)	$ (112,886,492)	$ (1,239,526,994)
2031-32	$ (933,272,626)	$ (183,813,440)	$ (1,682,731,812)
2032-33	$ (1,278,286,086)	$ (329,318,166)	$ (2,227,254,007)
2033-34	$ (1,570,910,718)	$ (422,330,881)	$ (2,719,490,554)
2034-35	$ (1,812,779,719)	$ (447,680,864)	$ (3,177,878,574)
2035-36	$ (1,964,677,868)	$ (351,142,034)	$ (3,578,213,703)
2036-37	$ (2,038,366,983)	$ (167,468,270)	$ (3,909,265,697)
2037-38	$ (2,046,321,755)	$ 100,399,686	$ (4,193,043,195)
2038-39	$ (1,988,196,867)	$ 453,465,426	$ (4,429,859,159)
2039-40	$ (1,869,002,163)	$ 886,170,952	$ (4,624,175,278)
2040-41	$ (1,698,224,951)	$ 1,389,278,146	$ (4,785,728,048)
2041-42	$ (1,401,526,055)	$ 2,050,672,019	$ (4,853,724,128)
2042-43	$ (965,568,633)	$ 2,859,581,187	$ (4,790,718,453)

~~Similar to the sensitivity analysis conducted in April 2023, this updated sensitivity analysis continues to illustrate the great uncertainty related to future RPS Budget availability. Similar variations in results could also be demonstrated by changing assumptions around future strike prices for Indexed REC procurements, or future Illinois Shines REC prices.~~

~~It does appear that there is a risk of a budget shortfall until the end of this decade. As a result, the procurement activities proposed in this Plan (including proposed Illinois Shines REC prices) do not create a significant budget risk. Instead, it would be through activities proposed and conducted under future Plans where potential budget risks could be introduced given the volatility of the market.~~

~~3.4.2~~3.3.2 Alternative Compliance Payment Funds Held by the Utilities

~~As of August 1, 2023, Ameren Illinois held $12,955,428 and ComEd held $23,326,123 of alternative compliance payments collected from retail customers that took service under electric utilities' hourly pricing tariff or tariffs ("HACP"). These funds are in part committed to fund the REC purchases from~~

~~the 2015 through 2017 Distributed Generation procurements conducted by the Agency, which featured five-year REC delivery contracts with payment upon delivery (and not prepayment).[209]~~

~~As of August 1, 2023, the remaining balance of uncommitted hourly alternative compliance payments—those not set aside to fund the Distributed Generation procurements—is $12,913,722 for Ameren Illinois, and $21,634,004 for ComEd.~~

~~Also, as of August 1, 2023, Ameren Illinois held $23,519,406, ComEd held $44,214,248~~Alternative Compliance Payments ("ACPs") are legacy funds that were collected prior to the enactment of Future Energy Jobs Act ("FEJA"). This section provides an update on the status of this legacy fund and the Agency's process for their expenditure. Ameren Illinois has held $23,519,406, ComEd held $48,671,185, and MidAmerican held $13,556 in alternative compliance payment funds collected from ARES since June 1, 2017 ("ARES ACP")[210] as shown in ~~Table 3-22.~~Table 3-11.

The ~~Tables~~Table below ~~summarize~~summarizes the balances of these Alternative Compliance Payments.

Table 3-11~~14: Balance of HACP as of August 1, 2023~~

Ameren	ComEd	MidAmerican
$12,955,428	$23,326,123	-

~~Table 3-15~~: Available ACPs

ACP	Ameren	ComEd	MidAmerican	All Utilities
Uncommitted HACP	$12,913,722	$21,634,004	-	$34,547,726
ARES ACP	$23,519,409	$44,214,248	$13,556	$67,747,213
Total Available ACPs	$36,433,131	$65,848,252	$13,556	$102,294,939

-	Ameren	ComEd	MidAmerican	All Utilities
ARES ACP	$23,519,409	$48,671,185	$13,556	$72,204,150
Uncommitted HACP	$12,955,428	$25,374,656	NA	$38,330,084
Total Available ACP funds	$36,474,837	$74,045,841	$13,556	$110,534,234

~~[209] 2016 and 2017 Distributed Generation procurements for MidAmerican were funded out of MidAmerican's Renewable Energy Resources budget, as MidAmerican does not have any Hourly Alternative Compliance Payments.~~

[210] Section 16-115D of the PUA provides that while "[t]hrough May 31, 2017, all alternative compliance payments by alternative retail electric suppliers shall be deposited in the Illinois Power Agency Renewable Energy Resources Fund," "beginning with the delivery year commencing June 1, 2017, all alternative compliance payments by alternative retail electric suppliers shall be remitted to the applicable electric utility" and not deposited into the RERF. 220 ILCS 5/16-115D(d)(4), (4.5). See also 83 Ill Adm. Code Part 455. ComEd's balance reflects interest earned on the ARES ACP funds held by ComEd, while Ameren Illinois' and MidAmerican's do not.

In its First Revised Plan, the Agency proposed, and the ICC accepted, that the utility held ACPs should be used in each delivery year *after* the use of funds collected pursuant to Section 16-108(k) for both Forward Procurements and the Illinois Shines Program (formerly Adjustable Block Program~~,~~), providing the Agency with a reserve balance of funds through which it could cover expenditures in excess of Section 16-108(k) collections. This approach was necessary to minimize the risk of payment deferrals in the 2021-2022 delivery year and the two years directly thereafter, during which the Net RPS Budget had been projected to be negative, meaning that absent this change to the use of utility-held ACPs, contractual expenditures would need to be pulled back (under curtailment clauses in the REC contracts) from what was committed in order to bring the Net RPS Budget for the delivery year to zero.

~~With the delays in project energization created by the COVID-19 pandemic, it appeared in 2021 that, even with the use of utility-held ACPs, contract payment deferrals could occur resulting the IPA petitioning the ICC to reopen Docket No. 19-0995 for authorizing a payment deferral system. While the enactment of Public Act 102-0662 has alleviated those near-term budgetary concerns, the full budgetary impact of the changes to the RPS are not fully known or understood. As a result, for this 2024 Long-Term Plan, the Agency will maintain the approach of holding utility-held ACPs in reserve. The Agency will consider alternative uses of utility-held ACPs to maximize their impact on increasing RPS activities in a future Long-Term Plan.~~With the enactment of P.A. 103-1066, the Agency does not see the need for the above approach and proposes that any available utility held ACPs be rolled over to RPS Collections for the years that a budget deficit is projected. **The Agency welcomes stakeholder feedback on this proposal.**

~~3.4.3~~3.3.3 Section 1-75(c)(1)(H)(i) ARES Option to Supply RECs for their Retail Customers

Section 1-75(c)(1)(H) of the Act provides an exception to the phase-out of ARES RPS obligations described in Section 3.1. Under this exception, an ARES may use self-supplied RECs to meet a portion (and possibly all) of the REC procurement requirements applicable to its load. To do so, the ARES had to first make an informational filing to the ICC within 45 days of the effective date of Public Act 99-0906 (i.e., within 45 days of June 1, 2017), indicating that it owned a generating facility or facilities as of December 31, 2015, that produced RECs eligible to meet the RPS, provided that those facilities were not powered by wind or solar photovoltaics.

The amount of RECs that can be supplied by ARES-owned/ generation is subject to several limitations. Specifically, the Act provides that:

> *For the delivery year beginning June 1, 2018, the maximum amount of renewable energy credits to be supplied by an alternative retail electric supplier under this subparagraph (H) shall be 68% multiplied by 25% multiplied by 14.5% multiplied by the amount of metered electricity (megawatt-hours) delivered by the alternative retail electric supplier to Illinois retail customers during the delivery year ending May 31, 2016.*
>
> *For delivery years beginning June 1, 2019 and each year thereafter, the maximum amount of renewable energy credits to be supplied by an alternative retail electric supplier under this subparagraph (H) shall be 68% multiplied by 50% multiplied by 16% multiplied by the amount of metered electricity (megawatt-hours) delivered by the*

> *alternative retail electric supplier to Illinois retail customers during the delivery year ending May 31, 2016, provided that the 16% value shall increase by 1.5% each delivery year thereafter to 25% by the delivery year beginning June 1, 2025, and thereafter the 25% value shall apply to each delivery year.* [211]

The Act limits the total amount of RECs that can be supplied by all ARES through owned generation:

> *For each delivery year, the total amount of renewable energy credits supplied by all alternative retail electric suppliers shall not exceed 9% of the Illinois target renewable energy credit quantity. The Illinois target renewable energy credit quantity for the delivery year beginning June 1, 2018 is 14.5% multiplied by the total amount of metered electricity (megawatt-hours) delivered in the delivery year immediately preceding that delivery year, provided that the 14.5% shall increase by 1.5% each delivery year thereafter to 25% by the delivery year beginning June 1, 2025, and thereafter the 25% value shall apply to each delivery year.*[212]

To account for this self-supply by the ARES, the Act requires that charges applicable to retail customers of that ARES be reduced by the ratio of the RECs supplied by the ARES to the ARES's RPS target. Specifically, the Act states that:

> *If the requirements set forth in items (i) through (iii) of this subparagraph (H) are met, the charges that would otherwise be applicable to the retail customers of the alternative retail electric supplier under paragraph (6) of this subsection (c) for the applicable delivery year shall be reduced by the ratio of the quantity of renewable energy credits supplied by the alternative retail electric supplier compared to that supplier's target renewable energy credit quantity. The supplier's target renewable energy credit quantity for the delivery year beginning June 1, 2018 is 14.5% multiplied by the total amount of metered electricity (megawatt-hours) delivered by the alternative retail supplier in that delivery year, provided that the 14.5% shall increase by 1.5% each delivery year thereafter to 25% by the delivery year beginning June 1, 2025, and thereafter the 25% value shall apply to each delivery year.*[213]

The ARES must also notify the Agency and the applicable utility by February 28 of each year of its election to supply RECs to its retail customers and include the amount of RECs to be supplied. By April 1 of each year, the IPA posts a report to its website outlining on the aggregate number of RECs being supplied by the ARES for the upcoming delivery year under this provision, starting June 1.[214] This quantity is accounted for as RECs from "other technologies" (i.e., other than wind or solar) and reduces the overall RPS Target for that delivery year. Those targets are shown (unadjusted) in ~~Table 3-6.~~Table 3-6.

[211] Id.

[212] Id.

[213] Id.

[214] For the 2021-2022 delivery year, see: ~~https://www2.illinois.gov/sites/ipa/Documents/2021-2022%20Delivery%20Year%20ARES%20REC%20Report.pdf.~~https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/2021-2022-delivery-year-ares-rec-report.pdf. The amount of RECs expected to be supplied is 1,704,547. To view all published reports, see: https://ipa.illinois.gov/about-ipa/ipa-publications.html (Then access "Others" > "Special Reports").

One ARES informational filing, covering an eligible ARES-owned generation facility located outside of Illinois, was submitted on a confidential basis to the ICC by the deadline of July 15, 2017.

3.3.4 RPS Compliance Procurement Priorities

With the enactment of P.A. 103-1066, guidelines for prioritizing REC procurements in the event that the cost cap limitations conflict with the RPS Targets and RPS Goals have been updated from prior years. In the event of a budget deficit in a future Delivery Year, the Agency will continue to conduct its procurements and programs until the delivery year in which a deficit is projected. During the year when the deficit is projected, the Agency will initially continue to publish its quarterly updates on the RPS Budget Forecast, and when the quarterly update forecasts a deficit for that immediate quarter, the Agency will halt its upcoming Indexed REC procurements. However, as required under 103-1066, the Agency will continue application processing and approvals for the Illinois Shines Program through the end of the Program Year before also halting the Program. Each subsequent quarter the Agency will update the RPS Budget Forecast Model to determine if any changes to market prices and customer load results in a relief in the RPS Budget, allowing procurements and programs to resume. If there is RPS Budget relief, the Agency will resume procurement and program-related activities, potentially with limited targets subject to the remaining available budget.

Unlike collections used to support Illinois Shines and Indexed REC procurements, funds for the Illinois Solar for All (ILSFA) program are a firm set aside from the RPS Budget and thus, the ILSFA program procurements are not subject to the process highlighted above and $50 million will be allocated to ILSFA from utility collections each year.[215]

For this Plan, the Agency has proposed target quantities for utility-scale procurements and Illinois Shines Program block sizes that the Agency believes will put it on a path to achieving the 45 million RECs RPS Target set for the 2030-2031 Delivery Year; however, this is only achievable if a statutory change is made to the Cost Cap. Otherwise, as previously explained, the Agency predicts a budget shortfall in the 2027-28, three years prior to the RPS Target year of 2030-31.

3.3.5 RPS Budget and Cost Cap

As described in Section 3.4 and further updated by P.A. 103-1066 (as described in Chapter 2), the Act imposes monetary limitations on the RPS in the form of a cost cap that limits the annual average net increase in rates to retail customers. The cost cap rate, in cents per kilowatt-hour, unique to each utility and is provided in Table 3-10. The cents per kilowatt-hour rate is applied to the actual electricity (expressed in kilowatt-hours) delivered in the delivery year immediately prior to determine the maximum dollar amount which is the RPS Budget for the delivery year. Specifically, the Act now states that:

> *Notwithstanding the requirements of this subsection (c), and except as provided in subparagraph (E-5) of paragraph (1) of this subsection (c), the total of renewable energy resources procured under the procurement plan for any single year shall be subject to the limitations of this subparagraph (E). Such procurement shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by*

[215] This appears to be the intent of Section 1-75(c)(1)(F), which prioritizes Illinois Solar for All allocations over other categories of expenditures.

eligible retail customers in connection with electric service to no more than 4.25% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009. To arrive at a maximum dollar amount of renewable energy resources to be procured for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered, or applicable portion of such amount as specified in paragraph (1) of this subsection (c), as applicable, by the electric utility in the delivery year immediately prior to the procurement to all retail customers in its service territory. The calculations required by this subparagraph (E) shall be made only once for each delivery year at the time that the renewable energy resources are procured. Once the determination as to the amount of renewable energy resources to procure is made based on the calculations set forth in this subparagraph (E) and the contracts procuring those amounts are executed between the seller and applicable electric utility, no subsequent rate impact determinations shall be made and no adjustments to those contract amounts shall be allowed. As provided in subparagraph (E-5) of paragraph (1) of this subsection (c), the seller shall be entitled to full, prompt, and uninterrupted payment under the applicable contract notwithstanding the application of this subparagraph (E), and all costs incurred under such contracts shall be fully recoverable by the electric utility as provided in this Section.

A utility's annual RPS Budget is calculated using the following formula.

Equation 3-2: Annual RPS Budget

Annual RPS Budget ($/Year) = Prior Year Delivered Electricity (MWh) * Cost Cap Rate ($/MWh)

A utility's delivery year remaining net RPS Budget ("Net RPS Budget") is determined by subtracting the following items from the utility's total RPS Budget: the direct financial obligations from existing REC contracts ("Contracted REC Spend"), the balance associated with unfilled Illinois Shines Program block capacity, ("Scheduled REC Spend"), and indirect costs.[216] This calculation is shown in Equation 3-3.

Equation 3-3: Annual Net RPS Budget

Delivery Year Net RPS Budget = Annual RPS Budget + Unexpended RPS Budget from Prior Year[217] + Utility-held ACP balances – Contracted REC Spend – Scheduled REC Spend – Illinois Solar for All Allocation – Set Asides Allocation

3.3.6 Non-REC Expenses

Aside from direct expenditures on RECs, the RPS Budget also features allocations for several additional purposes. First, pursuant to Section 1-75(c)(1)(O) of the IPA Act, up to $50,000,000 each year will be allocated to the Illinois Solar for All Program.[218] Second, also pursuant to Section 1-75(c)(1)(O), in each of the delivery years 2021-22, 2024-25, and 2027-28, $10,000,000 of ComEd's

[216] Indirect costs include: (i) allocation to fund the Illinois Solar for All Program, (ii) allocation to fund job training programs, and (iii) set aside for administrative expenses ("Set Asides Allocation").

[217] Unexpended budget funds from prior years are subject to a rolling five-year first-in/first-out accounting system. Funds collected in a given year and not spent after five years are subject to reconciliation. However, any reconciliation amount that could be refunded to ratepayers is also reduced by an amount equal to the outstanding contracted payment obligations of the utility.

[218] Prior to the enactment of Public Act 102-0662 the annual allocation to the Illinois Solar for All Program was the greater of 5% or $10 million of the utility RPS budget. This increase is discussed in more detail in Section 8.4.3.

RPS Budget will be allocated to the Department of Commerce and Economic Opportunity (DECO) to fund solar job training programs pursuant to Section 16-108.12 of the PUA. Third, a portion of each budget will be set aside for administrative expenses (including, but not limited to, expenses related to development of Plan updates, the management of procurements and programs, Illinois Shines Program Administrator expenses not covered by fees charged to participants, and fees charged by tracking systems for the retirement of RECs). The IPA proposes to set aside the budget below for these administrative expenses and will refine this amount as more information becomes available. Table 3-12 shows the annual RPS funds to be allocated to each of these Set Asides.

Table 3-12: Statewide RPS Budget Set Asides

Delivery Year	ILSFA	Job Training (DCEO Budget)	Administrative Expenses (3% of Annual RPS Budget)	Total Set Asides
2023-2024	18,230,744	0	18,286,601	$36,517,345
2024-2025	21,978,808	10,000,000	25,217,949	$57,196,757
2025-2026	50,000,000	0	27,000,000	$77,000,000
2026-2027	50,000,000	0	28,350,000	$78,350,000
2027-2028	50,000,000	10,000,000	29,767,500	$89,767,500
2028-2029	50,000,000	0	30,511,688	$80,511,688
2029-2030	50,000,000	0	31,274,480	$81,274,480
2030-2031	50,000,000	10,000,000	32,056,342	$92,056,342
2031-2032	50,000,000	0	32,857,750	$82,857,750
2032-2033	50,000,000	0	33,679,194	$83,679,194
2033-2034	50,000,000	0	34,521,174	$84,521,174
2034-2035	50,000,000	0	35,384,203	$85,384,203
2035-2036	50,000,000	0	36,268,808	$86,268,808
2036-2037	50,000,000	0	37,175,528	$87,175,528
2037-2038	50,000,000	0	38,104,917	$88,104,917
2038-2039	50,000,000	0	39,057,540	$89,057,540
2039-2040	50,000,000	0	40,033,978	$90,033,978
2040-2041	50,000,000	0	41,034,828	$91,034,828
2041-2042	50,000,000	0	42,060,698	$92,060,698
2042-2043	50,000,000	0	43,112,216	$93,112,216
2043-2044	50,000,000	0	44,190,021	$94,190,021
2044-2045	50,000,000	0	45,294,772	$95,294,772
2045-2046	50,000,000	0	46,427,141	$96,427,141

3.3.7 Total Expenses and Available RPS Budgets

The aggregation of Expenses and RPS Budgets at a statewide level provides an important tool for planning and implementing the various procurements and programs under this 2026 Long-Term Plan. This section presents a base case projection of the RPS budget through the 2042-43 delivery year. This base case includes a set of assumptions that the Agency believes are accurate for planning purposes based on information available at this time. However, as discussed in Section 3.3.9, there

are many fluid variables and likely will continue to deviate over time. Depending on the magnitude of deviation, future RPS budgets may look significantly different. As mentioned elsewhere in this Plan, the Agency believes that legislative action will be needed to make structural changes to the RPS to reduce the risks and uncertainty identified herein. Table 3-13 presents a statewide view of expected expenses. This includes:

- Expenses from the 2010 Long-Term Power Purchase Agreements;
- Expenses from the Forward Procurements conducted in 2017-2019;
- Expenses from the Illinois Shines Program from projects contracted between 2019 and July 2025;
- Projected expenses from the remaining capacity for the 2025-2026 program year for the Illinois Shines Program not yet contracted;
- Projected expenses for the blocks of capacity proposed in Chapter 7 for the Illinois Shines Program for the program years 2026-2027 and 2027-2028.
- Projected expenses for RECs from Utility-scale Wind/Hydropower, Utility-Solar, and Brownfield Photovoltaic Projects conducted to date, and the procurements proposed in Chapter 5 to be conducted in the 2026-2027 and 2027-2028 delivery years;
- Projected expenses for future blocks of the Illinois Shines Program from 2028 through 2040, and projected expenses from Indexed REC procurements to be conducted in 2028 through 2040. Illinois Shines block sizes and REC prices, and Indexed REC procurement volumes will be determined in future Long-Term Plans. For this projection they are assumed to be in volumes designed to meet the 2030 and 2040 RPS goals of 40% and 50% respectively.
- Set asides as described in Section 3.3.6.

In projecting expenses from the Illinois Shines Program, the analysis assumes that blocks are filled every year and projects are subsequently energized (and thus start receiving payments) by their contracted energization deadlines, typically occurring in the same year as Part I approval or the subsequent year for small DG category, typically occurring the subsequent year for large DG category and typically occurring two years after Part I approval for community solar category. Projected Illinois Shines expenses are calculated with REC prices for the 2026-27 Delivery Year for the remaining Program Year's capacity. The REC Prices provided in Section 7.5for the 2026-27 are used for the projected Illinois Shines expenses. For the years 2027-28, and purely for budget modeling purposes, REC prices are assumed to go up by about 40% due to the repeal of the IRA and subsequent loss of ITC.[219] For each subsequent year for future Program Year blocks of capacity after 2027-28, the REC prices are assumed to decline by about 1% on average from that adjusted non-ITC price. As discussed in Section 7.3.3, block sizes for the Illinois Shines Program are expressed on a megawatt basis and a standard capacity factor is used to convert those sizes into REC quantities. For the purpose of the budget model presented here, REC quantities and their associated expenses use category-specific capacity factors.

For modeling purposes, projects contracted through Indexed REC procurements are assumed become energized and begin REC deliveries three years after the contract execution date (i.e., within 10 days of Commission approval of the procurement results). When modeling future expenses from Index REC procurements, this Plan utilizes a forward price curve as discussed in Section 5.4.6. This price curve is an average using data obtained from two industry-standard data providers—EOX and

[219] Actual prices may vary substantially versus this number based on modeling outputs, as explained further in part in Section 7.5.

Argus—as of August 1, 2025.[220] The on peak and off peak forward price curves are matched to the generation profile of each technology and are used to accurately reflect the Indexing structure. The REC price for the Indexed RECs is calculated as the difference between the strike price and forward price curve for the year and can fluctuate as either a positive or negative value.[221] For strike prices for future Indexed REC procurements, the budget analysis assumes modeled strike prices for the future years based on market expectations from loss of ITC due to IRA repeal, which are significantly higher than the strike prices from past procurements and is a change in methodology from past plans where we held the strike prices constant for future procurements based on the last procurements' average strike price.

[220] As discussed in Section 3.4.9, forward energy prices change over time and this forward price curve reflects lower prices than the analysis previously conducted by the Agency in April 2023. This results in higher Indexed REC prices with a larger impact on the budget forecast.

[221] For more information on strike prices for Indexed REC procurements, see Sections 2.7.4.1 and 5.4.

Table 3-13: Projected RPS Expenses ($)

Delivery Year	ABP Under Contract	Indexed REC Under Contract	LTPPA	2017-2019 Forward Procurement	ABP Projected	Indexed REC Projected	Total Set Asides include ILSFA	Total Expenses
2023-2024	518,136,818	0	17,721,007	22,594,914	0	0	36,517,345	$594,970,085
2024-2025	548,182,091	0	17,421,542	22,594,914	0	0	57,196,757	$645,395,304
2025-2026	331,418,565	0	11,401,432	25,216,962	123,744,674	0	77,000,000	$568,781,633
2026-2027	376,668,650	75,184,652	8,215,432	25,216,962	365,215,230	0	78,350,000	$928,850,925
2027-2028	344,945,128	188,852,592	4,480,483	25,216,962	567,155,038	0	89,767,500	$1,220,417,703
2028-2029	329,013,366	390,375,814	4,478,132	25,216,962	747,764,398	0	80,511,688	$1,577,360,360
2029-2030	323,169,764	519,694,634	4,338,009	25,216,962	946,368,139	214,859,606	81,274,480	$2,114,921,594
2030-2031	318,826,821	518,960,776	4,303,454	25,216,962	1,170,953,316	424,834,511	92,056,342	$2,555,152,181
2031-2032	291,905,452	521,607,767	4,261,080	25,216,962	1,291,737,572	611,664,484	82,857,750	$2,829,251,067
2032-2033	253,261,156	525,634,498	0	25,216,962	1,355,976,005	794,874,757	83,679,194	$3,038,642,573
2033-2034	136,429,611	520,509,827	0	22,803,774	1,409,099,423	1,115,480,430	84,521,174	$3,288,844,239
2034-2035	101,862,901	508,283,039	0	22,790,653	1,419,772,778	1,431,186,846	85,384,203	$3,569,280,420
2035-2036	101,353,159	487,409,706	0	20,115,593	1,405,791,299	1,771,387,519	86,268,808	$3,872,326,084
2036-2037	100,846,926	488,149,074	0	8,502,462	1,391,820,997	2,162,534,330	87,175,528	$4,239,029,316
2037-2038	100,342,496	489,829,366	0	2,622,659	1,351,293,659	2,561,859,005	88,104,917	$4,594,052,102
2038-2039	99,840,479	492,118,851	0	2,622,659	1,311,044,241	2,917,860,600	89,057,540	$4,912,544,370
2039-2040	99,341,927	489,769,418	0	2,622,659	1,323,150,649	3,290,212,631	90,033,978	$5,295,131,263
2040-2041	98,839,112	487,334,724	0	0	1,335,009,910	3,602,515,454	91,034,828	$5,614,734,027
2041-2042	98,340,047	482,678,735	0	0	1,346,625,123	3,850,883,137	92,060,698	$5,870,587,741
2042-2043	97,843,148	478,944,391	0	0	1,357,999,359	4,023,137,197	93,112,216	$6,051,036,310
2043-2044	88,220,795	475,846,034	0	0	1,244,457,603	4,199,282,047	94,190,021	$6,101,996,500
2044-2045	65,058,967	462,825,840	0	0	1,034,170,807	4,324,304,911	95,294,772	$5,981,655,297
2045-2046	1,085,932	449,617,796	0	0	933,804,650	4,444,767,373	96,427,141	$5,925,702,892

As discussed further in Sections 3.3.8 through 3.3.10 the RPS Budget is sensitive to changes in modeling assumptions, such as future REC prices, procurement quantities, and the price of electricity. The budget as presented in this Chapter is only representative of current information as of the release of this draft 2026 Long-Term Plan. The Agency continues to update its model as better data becomes available. Ultimately, the uncertainties identified herein underscore the need for legislative action to create better funding certainty for the RPS.

For each delivery year, Table 3-10 calculates expected RPS collections based on the load data listed in Table 3-3 and the RPS collection rates listed in Table 3-10 and the expenses from Table 3-13. Table 3-14 calculates, for each year, an expected beginning and ending balance. The 2025-26 Delivery Year starting balance includes utility-held ACP as well as funds collected but not spent in Delivery Years 2017-18 through 2024-25. Increased Large Customer Self-Direct Program participation may reduce overall procurement volumes in future years, necessitating reduced expenses along with reduced collections.

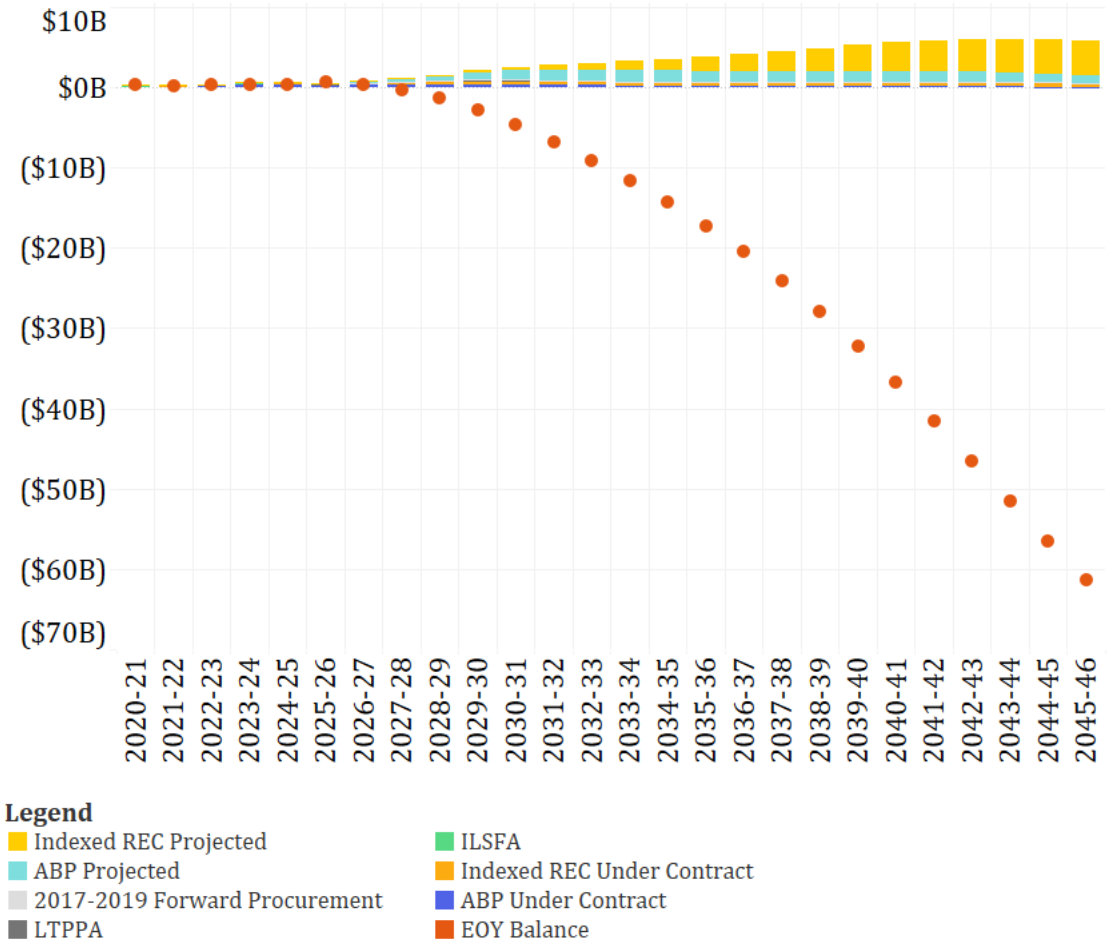
Table 3-14: RPS Funds and Expenditures ($)[222]

Delivery Year	Delivery Year Starting Balance	RPS Collections	Total Funds Available	Total Expenditures	Year Ending Balance
2023-2024	$322,482,744	$587,462,993	$909,945,737	$594,970,085	$314,975,653
2024-2025	$314,975,653	$577,421,570	$892,397,222	$645,395,304	$247,001,918
2025-2026	$650,751,699	$573,280,652	$1,224,032,351	$568,781,633	$655,250,718
2026-2027	$655,250,718	$579,456,970	$1,234,707,688	$928,850,925	$305,856,762
2027-2028	$305,856,762	$575,655,167	$881,511,930	$1,220,417,703	-$338,905,774
2028-2029	-$338,905,774	$598,852,006	$259,946,233	$1,577,360,360	-$1,317,414,128
2029-2030	-$1,317,414,128	$619,750,532	-$697,663,595	$2,114,921,594	-$2,812,585,190
2030-2031	-$2,812,585,190	$644,737,916	-$2,167,847,274	$2,555,152,181	-$4,722,999,455
2031-2032	-$4,722,999,455	$688,762,279	-$4,034,237,176	$2,829,251,067	-$6,863,488,243
2032-2033	-$6,863,488,243	$746,191,263	-$6,117,296,980	$3,038,642,573	-$9,155,939,553
2033-2034	-$9,155,939,553	$814,286,119	-$8,341,653,434	$3,288,844,239	-$11,630,497,673
2034-2035	-$11,630,497,673	$871,506,752	-$10,758,990,921	$3,569,280,420	-$14,328,271,341
2035-2036	-$14,328,271,341	$927,570,056	-$13,400,701,286	$3,872,326,084	-$17,273,027,370
2036-2037	-$17,273,027,370	$979,492,009	-$16,293,535,361	$4,239,029,316	-$20,532,564,677
2037-2038	-$20,532,564,677	$1,021,197,935	-$19,511,366,743	$4,594,052,102	-$24,105,418,845
2038-2039	-$24,105,418,845	$1,046,606,630	-$23,058,812,215	$4,912,544,370	-$27,971,356,585
2039-2040	-$27,971,356,585	$1,060,409,281	-$26,910,947,304	$5,295,131,263	-$32,206,078,566
2040-2041	-$32,206,078,566	$1,064,099,909	-$31,141,978,657	$5,614,734,027	-$36,756,712,684
2041-2042	-$36,756,712,684	$1,068,614,059	-$35,688,098,625	$5,870,587,741	-$41,558,686,366
2042-2043	-$41,558,686,366	$1,071,078,272	-$40,487,608,094	$6,051,036,310	-$46,538,644,404
2043-2044	-$46,538,644,404	$1,073,568,897	-$45,465,075,508	$6,101,996,500	-$51,567,072,007
2044-2045	-$51,567,072,007	$1,076,086,280	-$50,490,985,728	$5,981,655,297	-$56,472,641,025
2045-2046	-$56,472,641,025	$1,080,593,798	-$55,392,047,227	$5,925,702,892	-$61,317,750,119

[222] Breakdowns of the information presented in Table 3-11 and Table 3-12 by each utility, and information on the breakdown of expenses by program/resource type can be found in Appendices B-1 and B-2 A full spreadsheet version of Appendix B-2 is available on the Agency's website at: https://ipa.illinois.gov/energy-procurement/2024-ltrrpp-appendices.html (2024 Appendices) and https://ipa.illinois.gov/renewable-resources/long-term-plan/2026-appendices.html (2026 Appendices).

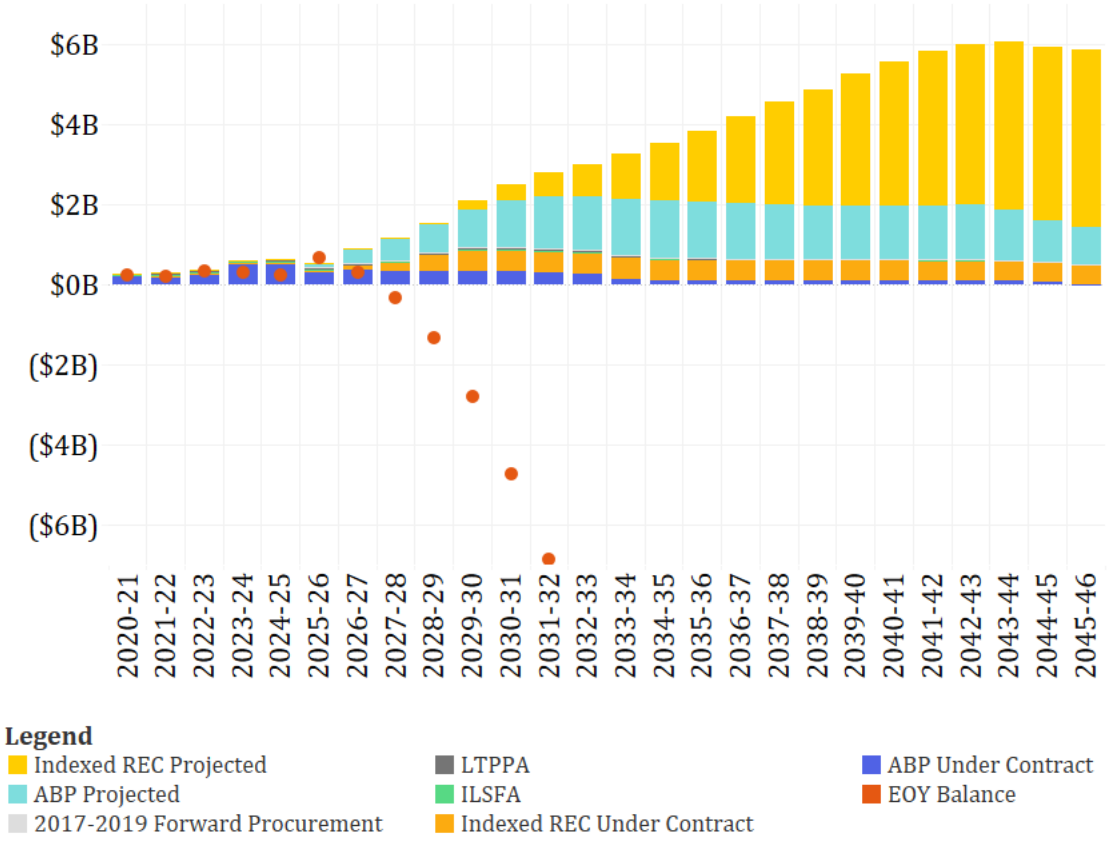
Figure 3-6 illustrates year by year spending by type (Under Contract, 2023 Activities, 2024-25 Activities, potential future activities, and set asides) compared to year-to-year budget availability.

Figure 3-6: RPS Expenditures Compared to Annual Available Funds



Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

Figure 3-7: RPS Expenditures Compared to Annual Available Funds (Expenditure Focused View)



Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

Based on the forecast of revenue and expenses, the IPA projects sufficient funding will not be available to support the proposals contained in this Plan, similar levels of program activity and procurements for the balance of the Plan years. The IPA projects a shortfall beginning in the 2027-28 Delivery Year. Future budget impacts carry significant uncertainty due to unknowns including the impact of changes in REC Prices adopted in this or future Long-Term Plans, actual REC prices paid from indexed REC contracts, changes in utility loads (and thus RPS collections), and the impact of the Large Customer Self-Direct Program. Note that the forecast of expenses does not model the timing of additional annual collections necessary for making executed contracts whole under P.A. 103-1066 (nor does it account for the resultant suspension of procurement activities once the RPS budget is exceeded).

Appendix B includes additional information showing how these current assumptions would extend through the 2042-43 delivery year.

3.3.8 Budget Uncertainty Due to Unknowns in Project Energization Timelines

A challenge the Agency has faced in modeling future budget impacts is that project energization and REC deliveries—and thus resultant budget impacts—are not scheduled to begin at a known and fixed point after contract execution. Because payments generally only commence upon project energization, the Agency cannot model with certainty when funds for specific projects will begin to be spent, and as a proxy uses the scheduled energization date for each project for Illinois Shines projects as well as utility-scale projects under Indexed REC procurements.

For modeling purposes, the Agency assumes that for the small DG category, half of the RECs contracted under Illinois Shines in a given program year will be energized and hence incur a budget expense in the same year that they're contracted, and the remaining half will be energized and hence incur a budget expense in the following program year. For the Large DG category in Illinois shines, the Agency assumes that the RECs will be energized one full year after they're contracted and thus incur a budget expense the following year. For the community solar category in Illinois shines, the Agency assumes that the RECs will be energized two years after they're contracted and thus incur a budget expense two years following the Program Year. For utility-scale RECs contracted under Indexed REC procurements, the Agency assumes that the RECs are energized and hence incur a budget expense three years after they are contracted.

Uncertainty for utility-scale projects also stems from the fact that they frequently face delays in project energization. However, due to the non-frontloaded structure of Indexed REC contracts, those projects' energization timelines create less budget uncertainty. The greater uncertainty related to Indexed REC contracts is how future energy prices may change as discussed in Section 3.3.10.

3.3.9 Budget Uncertainty Due to Annual Load Variations

The annual RPS Budget used in this 2026 Long-Term Plan has been developed using load forecasts provided by the utilities and each utility's statutory cost cap. These load forecasts are driven by a number of factors, which include but are not limited to increasing demand for data centers, weather, economics, demographics, assumed demand response, and energy efficiency. Changes to any of the assumptions will result in actual load deviating from forecasted load. For example, if the expected demand for data centers does not materialize as expected, the load forecast would be lower than expected leading to reduced RPS goals as well as collections.

Load forecast uncertainty increases over time, as factors such as economic indicators and climate/weather are compounded and inherently more difficult to predict for later years. This uncertainty from various factors underscores the need for careful consideration as the Agency considers the impact of procurements and programs on future year budgets.

3.3.10 Budget Uncertainty Due to Changes in Indexed REC Prices and Forward Energy Prices

As previously discussed, increasing procurement and program REC volumes to meet RPS targets as a result of load forecast increases, as shown in Figure 3-7 above, exacerbates the budget shortfall projected. Once REC procurement volumes are updated to meet the RPS targets (in effect, becoming a fixed variable), the impact of other variables and their impact on the RPS Budget becomes more evident – as does the need to increase the RPS Budget itself. To better understand the impact of changing forward prices relative to RPS Budget needs, three distinct energy price future conditions were modeled utilizing specific forward energy prices as projected on the following dates: (1) April

2023, (2) March 2025, and (3) July 2025.[223] These three forward energy price periods were used to show the current impact of forward energy prices (July 2025), the impact of and change from the forward prices used in the May 2025 RPS Budget Forecast (March 2025), and the change in forward energy prices that has occurred in the past two years (April 2023). One key change to forward energy prices used for the Plan update (July 2025) is the use of generation weighted forward prices curves specific to each technology (solar and wind) instead of using around-the-clock prices that have been historically used. The use of generation weighted forward price curves allows for greater precision when predicting Indexed REC prices given the opposite generation profile of solar vs. wind projects, where solar projects tend to produce RECs during the day whereas wind projects tend to produce RECs at night.

The forward energy prices in April 2023 were substantially higher, with April 2023 to July 2025 forward price change realizing an average decrease of 33.0%. Figure 3-8 below shows the forward energy prices for April 2023 and July 2025, with a line presenting the percent change between the prices over time. A similar comparison of March 2025 to July 2025 forward prices sees an increase of 5%. Figure 3-9 below shows the forward energy prices for March 2025 and July 2025, with a line presenting the percent change between the prices over time. Further, see Table 3-15 which provides the prices for all three forward energy price periods, percent change statistics, and forward energy price ranges.

[223] This modeling can be reproduced in the RPS budget model by selecting a "Policy Compliance" scenario and the applicable forward price curve date on the "Scenario Dashboard" tab.

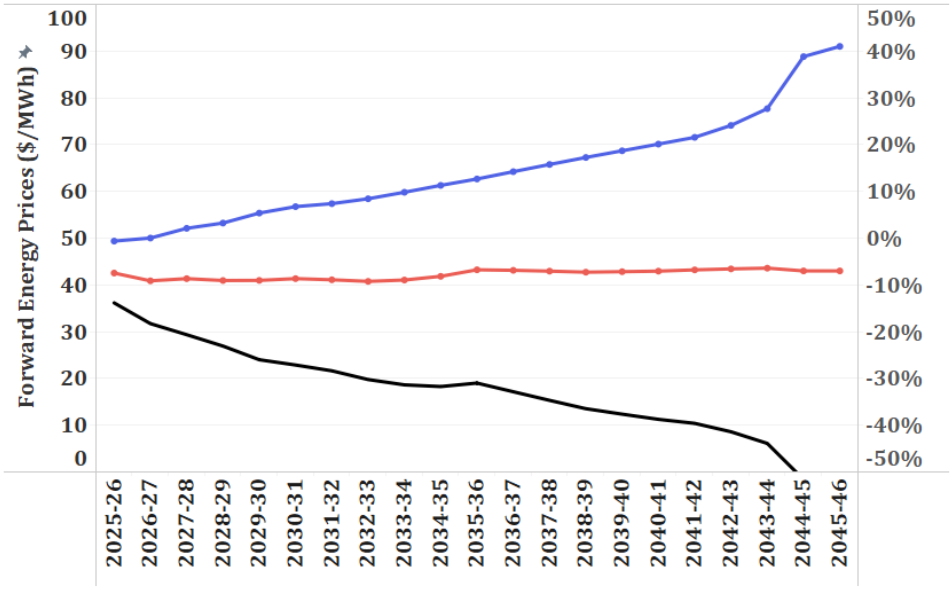
Table 3-15: Forward Energy Price Comparisons

Delivery Year	Forward Energy Prices (as of) ($/MWh)			% Change	
-	Apr-23	Mar-25	Jul-25	Apr-23 vs. Jul-25	Mar-25 vs. Jul-25
2023-2024	49.37	41.10	42.53	-14%	3%
2024-2025	49.37	41.10	42.53	-14%	3%
2025-2026	49.37	41.10	42.53	-14%	3%
2026-2027	50.02	42.16	40.87	-18%	-3%
2027-2028	52.10	40.76	41.34	-21%	1%
2028-2029	53.23	39.03	40.94	-23%	5%
2029-2030	55.36	38.54	40.96	-26%	6%
2030-2031	56.74	38.42	41.34	-27%	8%
2031-2032	57.37	37.61	41.09	-28%	9%
2032-2033	58.42	37.19	40.75	-30%	10%
2033-2034	59.81	37.70	41.04	-31%	9%
2034-2035	61.28	38.92	41.83	-32%	7%
2035-2036	62.65	40.48	43.23	-31%	7%
2036-2037	64.21	40.40	43.12	-33%	7%
2037-2038	65.75	40.94	42.94	-35%	5%
2038-2039	67.25	40.62	42.72	-36%	5%
2039-2040	68.68	40.76	42.83	-38%	5%
2040-2041	70.11	41.06	42.94	-39%	5%
2041-2042	71.55	41.26	43.21	-40%	5%
2042-2043	74.11	41.58	43.42	-41%	4%
2043-2044	77.69	41.86	43.58	-44%	4%
2044-2045	88.82	41.78	42.99	-52%	3%
2045-2046	91.00	45.66	42.99	-53%	-6%

% Change	Average	Min Change	Max Change
Apr-23 vs. Jul-25	-33%	-14%	-53%
Mar-25 vs. Jul-25	5%	1%	10%

Range	Min	Max	Delta
Apr-23	49.37	91.00	41.63
Mar-25	37.19	45.66	8.47
Jul-25	40.75	43.58	2.83

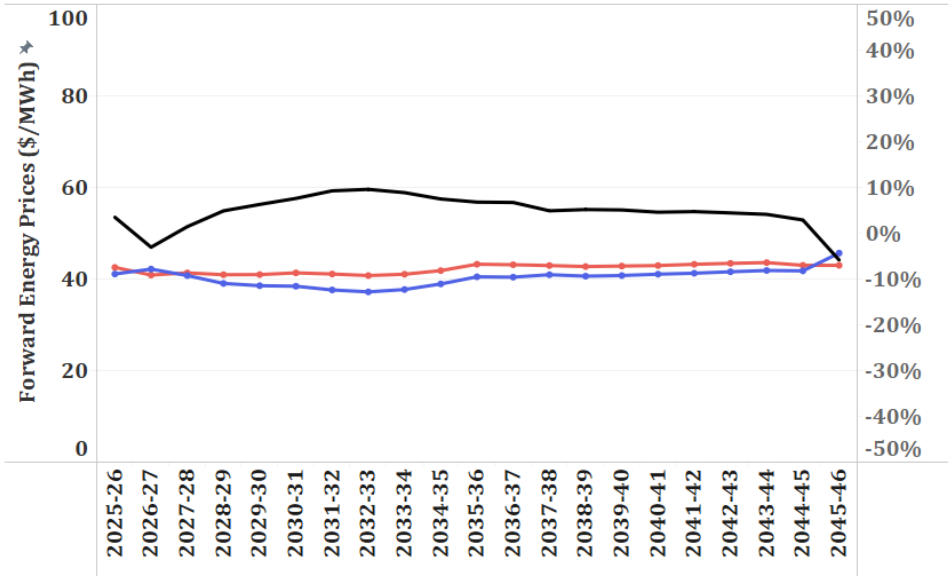
Figure 3-8: Comparison of Forward Energy Prices ($/MWh and % Change) – April 2023 vs. July 2025



Legend
■ % Change (Apr 23 vs Jul 25) ■ Forward Price (Apr-23) ■ Forward Price (Jul-25)

Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

Figure 3-9: Comparison of Forward Energy Prices ($/MWh and % Change) – March 2025 vs. July 2025

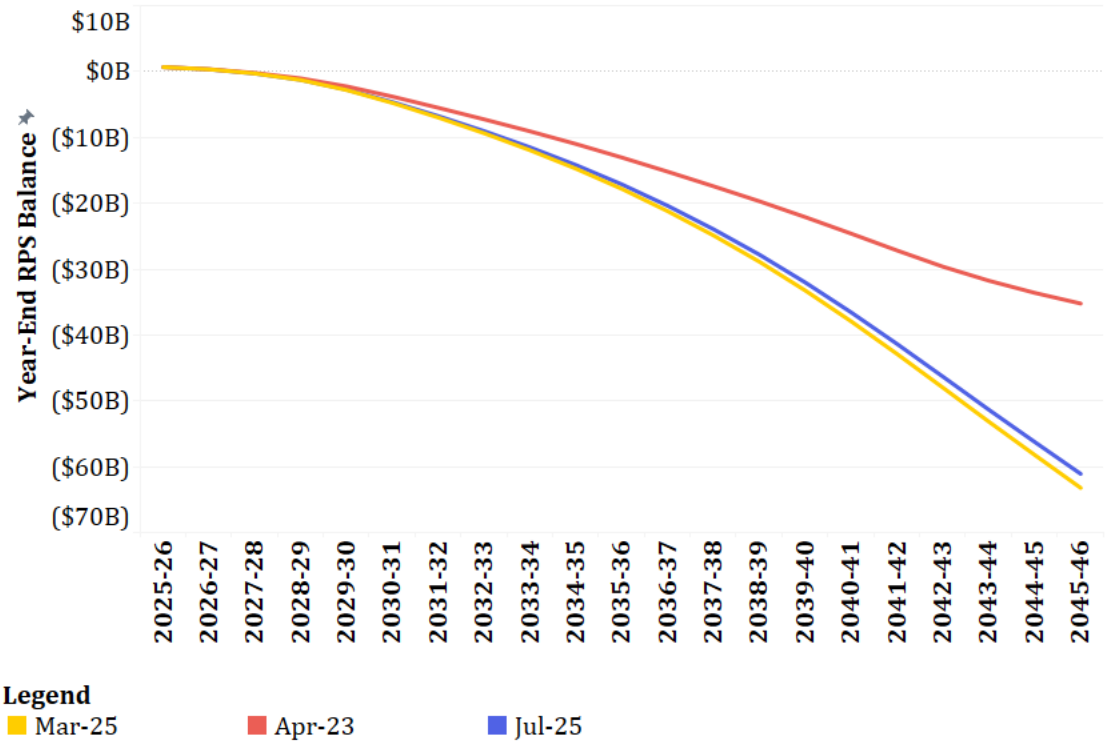


Legend
■ % Change (Mar 25 vs Jul 25) ■ Forward Price (Mar 25) ■ Forward Price (Jul-25)

Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

The RPS Budget model was then updated (using the forward price curve selection option) using the three forward energy prices curves to evaluate the impact of varying forward energy prices on the RPS Budget over time. As expected, assuming project Strike Prices and Program REC Prices remain constant, when the forward energy prices decline the impact on the RPS Budget increases. Using April 2025 forward energy prices (which were relatively high, as seen in Table 3-15) had the lowest budget shortfall compared to the other forward price curves considered; with the March 2025 forward price curves seeing the greatest budget shortfall. However, each scenario tested showed a budget shortfall beginning during the 2027-28 delivery year as displayed in Figure 3-10.

Figure 3-10: Impact of Changes to the Forward Price Curve on the RPS Budget



Source: Appendix B: RPS Budget and REC Portfolio Spreadsheet, Illinois Power Agency (August 2025)

These findings highlight that even with higher energy prices (e.g., April 2023), the RPS Budget Model projects a budget shortfall – emphasizing the need for an increase to the RPS Budget through a legislative change to maintain project development and contracting activities, and ideally an increase that can be resized on an ongoing basis to reflect demonstrated need. The Agency has observed increases to Strike Prices as shown in Table 3-16 which provides average Strike Prices from procurements conducted over the past four years (2022 through 2025), growing from $52.43/MWh in the Spring 2022 procurement to $78.85/MWh in the Summer 2025 procurement (an increase of over $24/MWh). This increase has exacerbated the RPS Budget shortfall, which has only been compounded by the decline in forward energy prices.

With the aggressive sunsetting of the federal Investment Tax Credit, the IPA Budget model assumes modeled Strike Prices for Indexed REC procurements for the future in order to account for the loss

of ITC, which could push the strike prices up by an additional $40/MWh over the next twenty years, further exacerbating the RPS budget shortfalls shown through modeling. The Strike Prices also assume the implementation of tariffs that have been announced impacting utility-scale projects as well as in the near future. Additional tariffs or other federal policies targeted toward slowing new wind or solar project development could also drive Strike Prices even higher.

Table 3-16: Average Indexed REC Strike Prices[224]

Procurement	Strike Price ($/MWh)	Comprised Of:
Spring 2022	$52.43	Utility-Scale Wind and Utility-Scale Solar
Fall 2022	$72.59	Brownfield Solar and Utility-Scale Solar
Summer 2023	$68.83	Brownfield Solar and Utility-Scale Solar
Fall 2023	$74.10	Utility-Scale Wind and Utility-Scale Solar
Summer 2024	$73.06	Utility-Scale Wind and Utility-Scale Solar
Fall 2024	$76.98	Utility-Scale Wind and Utility-Scale Solar
Summer 2025	$78.85	Utility-Scale Wind, Utility-Scale Solar and Brownfield Solar
Note. Strike Prices are blended (mix of brownfield solar, utility-scale solar, and/or utility-scale wind projects) to protect project confidentiality.		

Following comprehensive RPS Budget modeling, as described above, the resulting RPS Budget shortfall ranges from $3.8 billion to $4.8 billion by 2030-31, increasing to between $24 billion and $38 billion by 2040-41 depending upon the scenario. The lowest budget shortfall was derived utilizing the April 2023 forward energy prices and the fixed indexed REC contract strike prices based upon recent procurement results (reference Table 3-16).[225] The greatest budget shortfall maintains the same Strike Prices from the lowest budget shortfall analysis; however, the forward price curve used is changed to the March 2025 forward energy prices. Figure 3-10 above also highlights how significant forward energy price volatility impacts the resulting RPS Budget. For example, when comparing April 2023 and July 2025 forward energy prices, the budget shortfall increased 22% by 2030-2031 and 49% by 2040-2041. In as little as three months, the forward energy prices have moved enough (declined) to result in a meaningful impact on the projected RPS Budget, stemming from the fact that Indexed REC prices are driven by the difference between wholesale energy prices (with forward prices curves used as a proxy for future wholesale energy prices) and the strike price.

[224] Procurement results can be found at: https://www.ipa-energyrfp.com/previous-rfps/.

[225] Indexed REC Strike Prices used in the RPS Budget model include: $76.40/MWh (Utility-Scale Wind), $75.40/MWh (Utility-Scale Solar), and $96.90/MWh (Brownfield Solar).

As wholesale energy prices increase, the expense from Indexed RECs decreases, directly impacting the RPS Budget.

3.4 Cost Recovery Provisions

Each utility is entitled to recover the costs of RECs procured to meet RPS compliance requirements, subject to the cost cap limitations, along with "the reasonable costs that the utility incurs as part of the procurement process and to implement and comply with plans and processes approved by the Commission."[226]

Section 16-108(k) of the PUA allows for collections from customers to be available for meeting RPS expenses for the five years following collection:

> *Money collected from customers for the procurement of renewable energy resources in a given delivery year may be spent by the utility for the procurement of renewable resources over any of the following 5 delivery years after which unspent money shall be credited back to retail customers. The electric utility shall spend all money collected in earlier delivery years that has not yet been returned to customers, first, before spending money collected in later delivery years.*

Section 16-108(k) of the PUA also provides that any future reconciliation amounts shall be reduced to account for contractual obligations entered into by the utilities but not yet paid:

> *The amount of excess funds eligible to be credited back to retail customers shall be reduced by an amount equal to the payment obligations required by any contracts entered into by an electric utility under contracts described in subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act, even if such payments have not yet been made and regardless of the delivery year in which those payment obligations were incurred. Notwithstanding anything to the contrary, including in tariffs authorized by this subsection (k) in effect before the effective date of this amendatory Act of the 102nd General Assembly, all unspent funds as of May 31, 2021, excluding any funds credited to customers during any utility billing cycle that commences prior to the effective date of this amendatory Act of the 102nd General Assembly, shall remain in the utility account and shall on a first in, first out basis be used toward utility payment obligations under contracts described in subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act.*

Utilities are able to recover all of their costs—whether associated with RECs previously procured through prior-executed contracts, procured through the Initial Forward Procurements, procured through other competitive procurements, or procured through the other programs resulting from the implementation of the IPA's long-term renewable resource procurement plans[227]—through tariffs applicable to all of the utilities' retail customers.

With the establishment of new Section 1-75(c)(1)(E-5), uncertainty surrounding the ability for the Sellers under existing contracts to be made whole has diminished. Even if rolled-over RPS collections and that delivery year's collections prove insufficient to provide full payment to Sellers under

[226] 220 ILCS 5/16-108(k).

[227] This is true for those expenses for which the utility is the counterparty; for the Illinois Solar for All Program, the State of Illinois is the counterparty to REC delivery contracts paid using the Renewable Energy Resources Fund.

existing REC delivery contracts—i.e., even if the IPA faces an RPS budget shortfall—the counterparty utility must nevertheless "remit full payment to the sellers to ensure prompt and uninterrupted payment of existing contractual obligations, provided that the full costs shall be recoverable by the utility."[228] Stated differently, the present limitations of Section 1-75(c)(1)(E)'s rate impact cap would be superseded by a need to ensure that collections are sufficient to make Sellers whole, so long as some cost recovery mechanism (such as the cost recovery mechanisms found in Section 16-108(k) outlined above) remains in place for the counterparty utility. Section 1-75(c)(1)(E-5)'s provisions can then be thought of as changing both the utility's obligation to pay should the RPS budget be exceeded and also its ability to safely recover the additional payments necessary to make Sellers whole. Under these circumstances, the IPA would be obligated to reduce or suspend contract awards, which may temporarily freeze new development, but holders of awarded contracts would have assurance around being made whole by their counterparty Buyers.

3.5 MidAmerican Volumes

While procurement plans are required to be prepared annually for Ameren Illinois and ComEd, Section 16-111.5(a) of the PUA states that "[a] small multi-jurisdictional electric utility . . . may elect to procure power and energy for all or a portion of its eligible Illinois retail customers" in accordance with the planning and procurement provisions found in the IPA Act. On April 9, 2015, MidAmerican first formally notified the IPA of its intent to procure power and energy for a portion of its eligible retail customer load through the IPA through its participation. That portion is essentially the incremental load that is not forecasted to be supplied in Illinois by what MidAmerican, a vertically-integrated utility in Iowa that owns generation there (as well as a share of the Quad Cities nuclear plant in Cordova, Illinois), assigns to Illinois as its jurisdictional generation. Each year since, MidAmerican has remained a part of that process to meet the remaining "portion" of its load.

MidAmerican's status as a multi-jurisdictional utility that uses its own generating resources to meet a portion of its Illinois load creates a unique situation for RPS compliance. Unlike Ameren Illinois and ComEd, for which all retail load is subject to the RPS goals and targets (subject to limited exceptions outlined above), the MidAmerican load for which the RPS goals and targets are applicable has traditionally been only that load that is subject to the IPA's annual planning and procurement process for conventional power. As mentioned above, that amount has been the forecast load in excess of MidAmerican's Illinois-allocated generation in any given delivery year, which has generally been only 25-35% of its total jurisdictional load.[229]

As a significantly smaller Illinois utility to begin with, and with only a portion of its load applicable to the Illinois RPS, the MidAmerican share of Illinois RPS and Zero Emission standard contracts has often been only a fraction of that allocated to ComEd and Ameren Illinois.

3.5.1 Change to MidAmerican's Load Forecast Methodology

In 2018, MidAmerican proposed, and the Commission approved a change in approach to forecast MidAmerican's generation used for electricity procurement.[230] This change caused a sudden and

[228] 20 ILCS 3855/1-75(c)(1)(E-5)(ii).

[229] The Commission specified this approach for the procurement of renewable resources to meet the RPS compliance targets applicable to MidAmerican in Docket No. 15-0541, determining that only the portion of MidAmerican's load subject to the IPA's planning and procurement process is subject to Section 1-75(c) of the Act's requirements.

[230] Final Order, ICC Docket No. 18-1564 (Nov. 26, 2018).

significant reduction of the load subject to the IPA electricity procurement process, as seen in ~~Table 3-16~~Table 3-17Table 3-16 below.

~~**Table 3-16: MidAmerican Applicable Load and RPS Budget before and after Change in Forecast Approach**~~

In the 2019 Electricity Procurement Plan,[231] the IPA explained the change in approach to forecast MidAmerican's generation:

Table 3-17: MidAmerican Applicable Load and RPS Budget before and after Change in Forecast Approach

Compliance Delivery Year	Reference Delivery Year	Applicable Load Before Change [MWh][A]	Applicable Load After Change [MWh][B]	RPS Budget Before Change [$]	RPS Budget After Change [$]
2020-2021	2019-2020	616,844	0	765,812	0
2021-2022	2020-2021	527,768	0	655,224	0
2022-2023	2021-2022	519,093	126	644,454	156
2023-2024	2022-2023	509,457	400	632,491	497
2024-2025	2023-2024	390,919	644	485,326	800
2025-2026	2024-2025	372,831	929	462,870	1,153

[A] *Based on load volumes presented in the Initial Plan.*

[B] *Based on volumes provided by MidAmerican in its response submitted for the preparation of the First Revised Plan.*

Compliance Delivery Year	Reference Delivery Year	Applicable Load Before Change [MWh][A]	Applicable Load After Change [MWh][B]	RPS Budget Before Change [$]	RPS Budget After Change [$]
2020-2021	2019-2020	616,844	0	765,812	0
2021-2022	2020-2021	527,768	0	655,224	0
2022-2023	2021-2022	519,093	126	644,454	156
2023-2024	2022-2023	509,457	400	632,491	497
2024-2025	2023-2024	390,919	644	485,326	800
2025-2026	2024-2025	372,831	929	462,870	1,153

[A] Based on load volumes presented in the Initial Plan.

[B] Based on volumes provided by MidAmerican in its response submitted for the preparation of the First Revised Plan.

[231] 2019 Final Electricity Procurement Plan at 45-46 (Jan. 4, 2019).

In reviewing the load forecast and resource portfolio information supplied by MidAmerican for the 2019 Plan, the IPA notes that MidAmerican revised the methodology used for its generation supply forecast. The prior forecast methodology utilized production cost models to dispatch the Illinois Historical Resources whenever the expected cost to generate electricity is less than the expected cost of acquiring it in the market. The revised methodology is based on the utilization of MISO Unforced Capacity ("UCAP") from the baseload Illinois Historical Resources to determine the generation available to meet MidAmerican's Illinois eligible load.[232]

MidAmerican's revised methodology utilizes the full capability of each baseload generation asset, represented by the UCAP MW values as determined by MISO for each year's Planning Resource Auction. The UCAP values de-rate generating unit capabilities by considering historical forced outage rates and operating conditions under summer peak conditions. The IPA, for the 2019 Plan, recommends no changes to the determination of monthly on-peak and off-peak block energy requirements other than the replacement of generation production values with the UCAP values for each of the following baseload resources:

- *Coal resources including~~:~~ Neal Unit #3, Neal Unit #4, Walter Scott Unit #3, Louisa Generating Station, and Ottumwa Generating Station.*
- *Nuclear Resources: Quad Cities Nuclear Power Station.*

The supply capability that is determined is netted against the forecast of MidAmerican Illinois load to calculate the monthly on-peak and off-peak shortfalls which will be met with energy block purchases in the IPA procurements. In determining the amount of block energy products to be procured for MidAmerican, the IPA treats the allocation of capacity and energy from MidAmerican's Illinois Historical Resources in a manner analogous to a series of standard energy blocks. This approach is consistent with the 2018 Procurement Plan approved by the Commission.

As shown in ~~Table 3-16~~Table 3-17 above, one unintended consequence of this reduction is that it would cause the annual commitments of already procured RECs and associated spending to exceed MidAmerican's projected RPS annual budget using the prior-applied methodology for determining that budget amount. Stated differently, MidAmerican was previously assigned contracts assuming it would have ~$650,000 available to spend annually on renewable energy procurement. Upon those obligations becoming due and payments needing to be made, applying MidAmerican's new load forecasting methodology in combination with the prior approach to determining MidAmerican's RPS budget would result in MidAmerican ~~only~~ potentially having only hundreds of dollars available for renewable energy resource procurement.

This could have left entities holding contracts with MidAmerican at risk of non-payment, as absent an alternative interpretation to calculating MidAmerican's available RPS budget, MidAmerican would not be authorized to meet those contract obligations without exceeding its statutory RPS rate impact cap. This situation could have caused some new renewable energy facilities dependent on revenue

[232] MidAmerican allocates 10.86% of the UCAP ratings of its baseload units for Illinois Historical Generation.

from MidAmerican's contracts to suffer losses, leaving them potentially unable to generate enough revenue to cover costs.

3.5.2 Correcting for the Unintended Consequences of MidAmerican's Forecast Approach

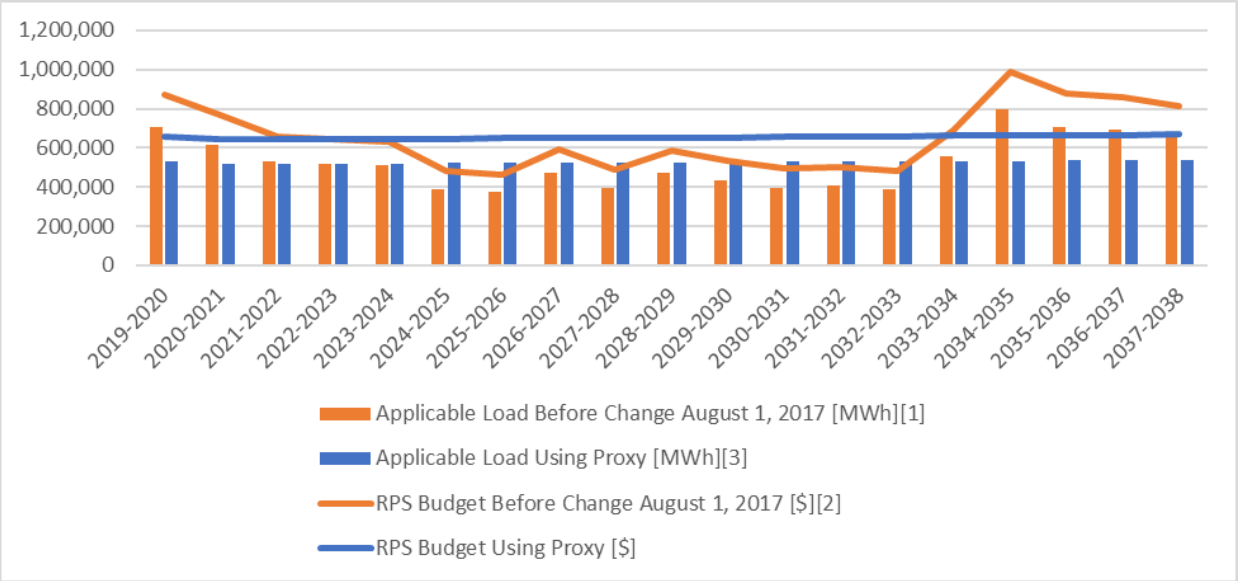
A primary objective informing Public Act 99-0906's reforms to the Illinois RPS was to reduce year-over-year funding volatility that effectively paralyzed leveraging RPS funds to support the development of new renewable energy generation. While such volatility was not completely eliminated, year-over-year RPS annual budget changes for those utilities remain relatively minor, and enough stabilization was introduced to allow for the execution of the types of long-term contracts providing sufficient revenue certainty to allow developers to secure financing to develop new renewable generation. To ensure similar stability for MidAmerican's budgets, in the First Revised Plan, the IPA proposed, and the Commission accepted the use of a proxy to calculate MidAmerican's Applicable Load. This proxy for applicable load is a percentage of MidAmerican's total Illinois retail load.

MidAmerican's Applicable Load for the purposes of RPS compliance (i.e., calculations of REC targets, budgets, and allocation of REC contracts in this Plan) is to be fixed at 26.025% of MidAmerican's annual total Illinois retail load. This percentage is calculated as follows: the average of MidAmerican's applicable load from the Initial Plan for the ~~DYs~~Delivery Years 2019-2020 through 2037-~~2038~~38 is 526,880 MWh. The average of the total retail load provided by MidAmerican in their July 2019 data response for the same period is 2,024,484 MWh. ~~The ratio of the average applicable load from the Initial Plan to the average total retail load provided by MidAmerican in its data response yields a 26.025% proxy.~~

Adopting this proposal produces Applicable Load volumes that are equivalent to those used in the Initial Plan, ~~as shown on Table 3-16,~~ which formed the basis to calculate MidAmerican's targets and budgets that supported MidAmerican's allocation of REC contracts and corresponding spending. Additionally, as can be observed in ~~Figure 3-7~~Figure 3-11, MidAmerican's resulting Applicable Load and corresponding budget is relatively stable, year over year, helping to ensure not only that existing contracts are not curtailed, but also that the year-to-year volatility does not persist for MidAmerican.

As this proposal was uncontested in Docket No. 19-0995, this proposal was adopted by the Commission through its Final Order in that proceeding approving the First Revised Plan. This approach was maintained for the 2022 and 2024 Long-Term Plan and the Agency proposes to continue determining MidAmerican's Applicable Load using this proxy approach for the ~~2024~~2026 Long-Term Plan.

Figure 3-117: Comparison of MidAmerican's Applicable Load Using the Generation Forecast before Change and the Proposed Proxy for Determining Applicable Load and Budget



4. Renewable Energy Credit Eligibility

4.1 Introduction

To be eligible for use in compliance with the Illinois RPS, RECs are required to meet a variety of eligibility requirements. First, the RECs are to be sourced from generating technologies permitted in the definition of "renewable energy resources" contained in Section 1-10 of the Act.[233] Second, Subsections (I) and (J) of Section 1-75(c)(1) create additional eligibility criteria. Subsection (I) contains locational eligibility criteria, while subsection (J) contains criteria related to how a facility that generates RECs recovers its costs.

This Chapter discusses how the Agency interprets and implements the requirements of subsections 1-75(c)(1)(I) and (J) of the IPA Act. These subsections also provide support for RECs associated with electricity transmitted across qualifying high-voltage direct current ("HVDC") lines and electricity transmitted to Illinois-based HVDC converter stations.

4.2 REC Eligibility

The process for determining whether RECs produced from utility-scale projects located in adjacent states are eligible to be utilized for RPS compliance under the IPA Act, and therefore whether the project is eligible to participate in the Agency's competitive procurements, are subject to two conditions.

1. A locational standard that allows for RECs from facilities located in Illinois to meet the Illinois RPS, and from facilities located in adjacent states only if those facilities meet the public interest criteria set out in Section 1-75(c)(1)(I). By implication, RECs from states further afield than the states adjacent to Illinois would not qualify for the Illinois RPS.
2. P.A. 99-0906 introduced a new standard related to how generating units recover their costs. This standard not only prohibits the use of RECs from generating units that recover their costs through state-regulated rates, but also assesses penalties for RECs from generating units later found to recover their costs through state-regulated rates.[234]

These eligibility requirements require competitive procurements conducted by the IPA to feature additional steps verifying that RECs being procured (and, in most cases, the underlying generating facilities from which they are being procured) are eligible for the Illinois RPS. Additional review is required during the bidder registration process to allow the Procurement Administrator and the

[233] As ~~recently~~ amended by P.A. 103-0380, the Section 1-10 of the IPA Act defines "Renewable energy resources" as "includes energy and its associated renewable energy credit or renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, anaerobic digestion, crops and untreated and unadulterated organic waste biomass, and hydropower that does not involve new construction of dams, waste heat to power systems, or qualified combined heat and power systems. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. 'Renewable energy resources' does not include the incineration or burning of tires, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste, railroad crossties, utility poles, or construction or demolition debris, other than untreated and unadulterated waste wood. 'Renewable energy resources' also includes high voltage direct current renewable energy credits and the associated energy converted to alternating current by a high voltage direct current converter station to the extent that: (1) the generator of such renewable energy resource contracted with a third party to transmit the energy over the high voltage direct current transmission facilities, and (2) the third-party contracting for delivery of renewable energy resources over the high voltage direct current transmission facilities have ownership rights over the unretired associated high voltage direct current renewable energy credit."

[234] Final Order at 4, ICC Docket No. 23-0714 (Feb. 20, 2024). See 20 ILCS 3855/1-75(c)(1)(J). Note that Section 1-75(c)(1)(I) references "facility" and "facilities" for the geographic standard, while Section 1-75(c)(1)(J) references "generating unit" for the cost recovery standard. Section 1-10 of the IPA Act does not specifically define "generating unit" but does define a facility as "an electric generating unit or a co-generating unit that produces electricity along with related equipment necessary to connect the facility to an electric transmission or distribution system." The Agency understands these terms to be generally interchangeable.

Agency to verify information about proposed facilities. This review is to determine if the proposed facilities located in the states adjacent to Illinois meet the public interest criteria.

4.3 Adjacent State Requirement

Section 1-75(c)(1)(I) of the Act contains a locational eligibility requirement for the Illinois RPS. Enacted through P.A. 99-0906, this requirement replaced the prior locational standard under which renewable energy resources could come from Illinois and adjoining states, and if not available, then they could come from elsewhere.[235] Section 1-75(c)(1)(I) permits qualifying renewable energy credits can be generated by facilities located in Illinois, and *may* be sourced from facilities in adjacent states[236]—but *only* if these facilities can meet public interest criteria spelled out in the law. While not explicitly stated in the statute, the Agency understands that the application of the public interest criteria to only adjacent states means that RECs from generating facilities located outside states that adjacent to Illinois will generally not be eligible for the Illinois RPS.[237]

The public interest criteria that the Agency considers include:

1. Minimizing sulfur dioxide (SO_2), nitrogen oxides (NO_x), particulate matter (PM), and other pollution that adversely affects public health in this State
2. Increasing fuel and resource diversity in this State
3. Enhancing the reliability and resiliency of the electricity distribution system in this State
4. Meeting goals to limit carbon dioxide emissions under federal or state law
5. Contributing to a cleaner and healthier environment for the citizens of this State

The Act specifies that the Agency "may qualify renewable energy credits from facilities located in states adjacent to Illinois if the generator demonstrates *and* the Agency determines that the operation of such facility or facilities will help promote the State's interest in the health, safety, and welfare of its residents based on the public interest criteria described above."[238]

To do so, and to "ensure that the public interest criteria are applied to the procurement and given full effect," the Plan "shall describe in detail how each public interest factor shall be considered and weighted for facilities located in states adjacent to Illinois." This Chapter provides that description.[239]

In the Initial Long-Term Plan, the Agency faced certain challenges in determining a methodology to account for these public interest criteria. The complex nature of an interconnected electric power grid and associated system operations (i.e., generation dispatch for economics and reliability), and how pollution flows across states, prevented the Agency from simply quantifying and scoring facility

[235] Former 20 ILCS 3855/1-75(c)(3), repealed June 1, 2017.

[236] For the purpose of assessing eligibility for compliance with the Illinois RPS, the Agency defines only states that have a common border as states adjacent to Illinois: Wisconsin, Iowa, Missouri, Kentucky, Indiana, and Michigan. Michigan is considered adjacent due to the border between Illinois and Michigan that exists in Lake Michigan. This is consistent with how other state agencies interpret the federal Coastal Zone Management Act. ~~See, for example, https://dnr.illinois.gov/content/dam/soi/en/web/dnr/cmp/documents/appendix-b.pdf.~~See, for example,

https://dnr.illinois.gov/content/dam/soi/en/web/dnr/cmp/documents/program/programdocument/appendix-b.pdf.

[237] One exception introduced through P.A. 102-0662 is for projects utilizing qualifying HVDC transmission lines with converter stations located in Illinois. As described in Section 4.5 below, the RECs associated with any renewable energy transmitted over that HVDC transmission line with a verified customer in Illinois will be deemed to have been sourced from a generation facility in Illinois for purposes of RPS qualification.

[238] 20 ILCS 3855/1-75(c)(1)(I) (emphasis added).

[239] Separately, Chapter 5 describes how adjacent state projects that qualify under this public interest criteria scoring may comply with prevailing wage requirements found in Section 1-75(c)(1)(Q) of the IPA Act.

eligibility requests using easily obtainable data. While predictions can be simulated, there is not one clear, unassailable way to determine how a renewable energy facility in an adjacent state will meet the public interest criteria.

In its Initial Plan, the Agency developed what it believes are reasonable proxies for each criterion.[240] In the Final Order approving the Initial Plan on April 3, 2018, Docket No. 17-0838, the Commission found the Agency's methodology and assumptions for considering the eligibility of RECs sourced from adjacent states to be reasonable. The approach remained the same for the First Revised Plan approved by the ICC on February 18, 2020, Docket No. 19-0995, ~~and~~ the 2022 Long-Term Plan approved by the ICC on July 14, 2022 in Docket No. 22-0231, and ~~no party contested~~ the ~~approach in either proceeding. This approach, described in more detail below, is generally unchanged in this~~ 2024 Long-Term Plan approved by the ICC on February 20, 2024 in Docket No. 23-0714.

While based conceptually on the same approach used for the Agency's Zero Emission Standard ("ZES") Plan, the basis for determining compliance with pollution and emissions public interest criteria in this Long-Term Plan is focused on the displacement of prospective non-renewable gas-fired generation by renewable generation that could be eligible to supply RECs to meet the Illinois RPS requirements. Among the differences from the ZES Plan scoring approach is renewable generating facilities are likely to be intermittent rather than baseload (a defining characteristic of zero emission facilities). Intermittent classification typically impacts generation assets on the margin of the dispatch order, and these facilities are generally smaller in size relative to the ZES replacement generation.

To assess whether a renewable generating facility located in an adjacent state is eligible to participate in the IPA's REC procurements to meet the Illinois RPS, the Agency assigns a maximum of 20 points to each of the five public interest criteria, as described below, for a total of 100 possible points.

For a renewable energy generating facility in an adjacent state to have its RECs considered eligible for the Illinois RPS, the adjacent state facility needs to demonstrate that it can achieve a total score of at least 60 points for the Agency to approve that request. This score threshold, initially approved by the ICC in Docket No. 17-0838 and affirmed through approval of subsequent Plans in Docket Nos. 19-0995 ~~and~~, 22-0231, and 23-0714, provides a balanced approach to ensuring that adjacent state facilities indeed provide sufficient benefits consistent with the law's directive. This score threshold requires a better than average score demonstrating benefits to the health, safety, and welfare of Illinois residents, but yet not too onerous to prohibit any adjacent state participation.

For the 2024 Long-Term Plan, the Agency reviewed and analyzed not only this scoring threshold, but also the methodology for the consideration of adjacent state facilities. After review and analysis, this scoring threshold and methodology ~~(described further below)~~ remained the same as presented in prior Long-Term Plans. However, in the 2024 Long-Term Plan, the Agency updated the data for the inputs related to wind direction and duration and the emissions rates for the natural gas combined-cycle generating plant used in the methodology.

[240] The Agency also developed a similar set of criteria for use in its Zero Emission Standard Procurement Plan ("ZES Plan") developed pursuant to Section 1-75(d-5) of the Act, which was approved by the Commission on September 11, 2017 in Docket No. 17-0333. That ZES Plan includes consideration of how to minimize sulfur dioxide, nitrogen oxide, and particulate matter emissions that would result from the potential closure of zero emission facilities (i.e., nuclear plants located in PJM or MISO).

The Agency is once again proposing a similar approach for the 2026 Long-Term Plan—maintaining the same basic methodology and scoring threshold, but updating data for inputs—as described further below.

The Agency also notes that two wind facilities in adjacent states were recipients of contracts from the 2010 Long-Term Renewable Resources Procurement. One in Iowa has a contract with Ameren Illinois, while one in Indiana has a contract with ComEd. These—these facilities were granted contracts when under the purview of Illinois law that considered them to provide sufficient benefits to Illinois residents. For their renewable energy resources to be used to meet the Illinois RPS, the Agency considers these two facilities to be grandfatheredlegacied into this requirement.

1. **Minimizing sulfur dioxide, nitrogen oxide, particulate matter, and other pollution that adversely affects public health in this State**

For the purposes of its Initial Plan and the consideration of this criterion, the Agency refined the methodological approach utilized in the ZES Plan. Under the ZES Plan, emissions are associated with replacement of generation that can be located anywhere in PJM or MISO. This approach was maintained through the Revised and Plan (2020), the 2022 Long-Term Plans; for the purposes of thisPlan, and the 2024 Long-Term Plan. In the 2024 Long-Term Plan, the Agency considersconsidered that a renewable energy facility would displace the emissions of a typical new natural gas-fired combined-cycle generation facility, and the Agency maintains that approach for the 2026 Long-Term Plan.

In the ZES Plan, the Agency weighted replacement generation across multiple states, in recognition that replacement generation for a large Zero Emission Facility would likely come from multiple sources (replacement generation would be a combination of changed dispatch of existing generation units as well as the potential development of new generating units).[241] The Agency simplified the weighting for this criterion to focus on comparing emissions from renewable generation to emissions from a new natural gas-fired combined-cycle generating facility. This assumption reflects the fact that recent and anticipated additions to the resource mix in PJM and MISO will be predominantly natural gas, wind, or solar;[242] natural gas is increasingly the fuel on the margin of dispatch for both PJM and MISO, and thus more appropriate for comparison than a baseload coal facility.[243] As discussed below, this comparison is a relevant factor in the evaluation criteria for renewable technologies that involve combustion (thus not including wind, solar, or hydro).

The emissions comparison includes sulfur dioxide (SO_2), and nitrogen oxides (NO_x) as proxies for all emissions because higher emissions of SO_2 and NO_x are generally correlated with higher emissions of PM, especially with regard to facilities that involve the combustion of solid fuels. SO_2 and NO_x are

[241] Specifically, 33% of the replacement generation was assumed to be in the bidding zero emission facility's own state, and the remaining 67% of replacement generation was assumed to occur across the relevant RTO, allocated by states based on each state's share of RTO-wide generation. ZES Plan, July 31, 2017, https://www.icc.illinois.gov/downloads/public/edocket/451223.pdf, at 37.

[242] U.S. FERC, Office of Energy Policy and Innovation, Division of Energy Market Assessment, "State of the Markets 2022. A Staff Report to the Commission," March 16, 2023. MISO Presentation, MISO Futures Overview, PJM Independent State Agencies Committee, May 22, 2023. https://www.pjm.com/-/media/committees-groups/state-commissions/isac/2023/20230522/20230522-miso-futures-overview.ashx

[243] See: Potomac Economics, "2022 State of the Market Report for the MISO Electricity Markets" June 15, 2023. https://www.potomaceconomics.com/wp-content/uploads/2023/06/2022-MISO-SOM-Report-Body-Final.pdfhttps://www.potomaceconomics.com/wp-content/uploads/2023/06/2022-MISO-SOM_Report_Body-Final.pdf; Monitoring Analytics, LLC, "2022 State of the Market Report for PJM, Volume 2: Detailed Analysis." http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2022/2022-som-pjm-vol2.pdf. http://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2022/2022-som-pjm-vol2.pdf.

primary emission sources for the formation of $PM_{2.5}$ in ambient air away from the immediate emissions source. Larger PM (PM_{10}) is deposited nearer the source, while secondary $PM_{2.5}$ increases based on the formation of sulfates and nitrates from the SO_2 and NO_x in the atmosphere as the pollutants move away from the primary source.[244] ~~The following table shows SO_2, NO_x, and CO_2 emissions rates of new natural gas-fired generation based upon 2020 data used by the U.S. Energy Information Agency ("EIA") for the 2023 Annual Energy Outlook.~~[245]

The following table shows SO_2, NO_x, and CO_2 emissions rates of new natural gas-fired generation based upon 2024 data used by the U.S. Energy Information Agency ("EIA") for the 2025 Annual Energy Outlook. [246] When the 2024 Long-Term Plan was published, EIA calculated the relevant natural gas heat rate as 6,370 Btu/kWh, with an SO_2 emissions rate of 0.001 lbs/MMBtu, equivalent to 0.006 pounds per MWh. However, the most recent EIA data estimates the SO_2 emissions rate as 0.00 lbs/MMBtu across all natural gas plant technologies. This figure is retained both for consistency with past Plans and to ensure compliance with Section 1-75(c)(1)(I) of the Illinois Power Agency Act, which instructs the Agency to consider the minimization of SO_2 pollution in the State of Illinois.[247]

Table 4-1: Natural Gas-Fired Combined-Cycle Generation Emissions Rates

Pollutant	Pounds/ MWh
SO_2	0.006
NO_X	0.048
CO_2	745

Pollutant	Pounds/ MWh
SO_2	0.000
NO_X	0.047
CO_2	728.000

The score for potential adjacent state facilities is calculated by multiplying the emissions factor for the renewable resource facility (scaled from 0 to 1) by a wind duration/direction factor (scaled from 0 to 1) and then by 20 points to determine the number of points awarded for this criterion.

[244] U.S. EPA, "Particulate Matter Emissions," Report on the Environment, http://www.epa.gov/roehttp://www.epa.gov/roe/.

[245] ~~Emissions rates for a natural gas turbine operating in combined cycle with a heat rate of 6,370 Btu/kWh, EIA AEO 2023, https:www.eia.gov/outlook/aeo/assumptions/EMM_Assumptions, March 2023. The CO_2 emissions in pounds per MMBtu are 117 for CO2, 0.001 for SO_2, and for NOx 0.0075; which at the heat rate of 6,370 Btu/kWh, are 745 pounds per MWh of CO_2, 0.006 pounds per MWh of SO_2, and 0.048 pounds per MWh of NOx. See: https://www.eia.gov/analysis/studies/powerplants/capitalcost/pdf/capital_cost_AEO2020.pdf.https://www.eia.gov/analysis/studies/powerplants/capitalcost/. Typical emissions rates have not changed to any appreciable extent since 2016, although the updated report shows that the new combined cycle generating plant heat rate has improved slightly.~~

[246] Emissions rates for a natural gas turbine operating in combined cycle with a heat rate of 6,226 Btu/kWh, EIA Assumptions to the Annual Energy Outlook 2025: Electricity Market Module, https:www.eia.gov/outlook/aeo/assumptions/EMM_Assumptions.pdf, April 2025. The CO_2 emissions in pounds per MMBtu are 117 for CO2, 0.00 for SO_2, and for NOx 0.0075; which at the heat rate of 6,226 Btu/kWh, are 728 pounds per MWh of CO_2, 0.00 pounds per MWh of SO_2, and 0.047 pounds per MWh of NOx. See:

https://www.eia.gov/analysis/studies/powerplants/capitalcost/pdf/capital_cost_AEO2025.pdf

Typical emissions rates have not changed to any appreciable extent since 2016 with the exception of sulfur dioxide, and the updated report shows that the new combined cycle generating plant heat rate has improved slightly.

[247] 20 ILCS 3855/1-75(c)(1)(I).

The emissions factor is calculated by taking one minus: the summation of eligible renewable resource's SO_2 and NO_x emissions in pounds/MWh divided by the sum of the SO_2 and NO_x emissions from a new natural gas-fired combined-cycle generation facility in pounds/MWh.

The emissions factor for renewable energy generating facilities such as wind, solar, or hydro, which do not emit SO_2, NO_x, or Particulate Matter, would be 1.0 because those facilities would have zero in the numerator of the part of the equation that is subtracted from one. The focus of the competitive procurements covered in this ~~2024~~2026 Long-Term Plan is on utility-scale wind~~-~~, modernized or retooled hydropower facilities, utility-scale solar projects, and brownfield site photovoltaic projects.[248] Other renewable generating facilities, including technologies that rely on combustion of a renewable resource, are not specifically addressed in the adjacent state eligibility requirements for these competitive procurements.

The Zero Emission Standard Plan included consideration of wind direction and duration as well as the distance from Illinois to modify the emissions criteria scoring. In scoring the emissions related public interest criterion, the Agency simplified the wind duration/direction approach compared to what was utilized in the Zero Emission Standard Plan. ~~For this 2024~~In the 2026 Long-Term Plan, the IPA has updated the wind data from the values used in previous Long-Term Plans. Since the renewable generating facilities supplying RECs from outside of Illinois must be located in the states adjacent to Illinois (as opposed to anywhere within PJM and MISO under the Zero Emission Standard), the distance of the emission source from Illinois is less important for this Plan compared to the Zero Emission Standard, and thus is not considered in the approach ~~adopted~~proposed for this ~~2024~~2026 Long-Term Plan.

[248] As discussed in Sections 2.3.1, 2.6.,3, and 5.5.4, Public Act 103-0380 amended the IPA Act to include provisions for procurements or RECs from modernized or retooled hydroelectric facilities, and updated the definition of eligible facilities.

Table 4-2 provides the wind duration/direction factors for each adjacent state.

Table 4-2: Wind Duration/Direction on Factors

Adjacent State	Wind Direction Sectors	Wind Direction and Duration Factor[1]
Indiana	SSE, SE, ESE, E, NNE, NE, ENE	0.319
Kentucky	S, SSE, SE	0.216
Missouri	W, WSW, SW, SSW, S	0.456
Iowa	W, WNW, NW, NNW	0.258
Wisconsin	N, NNW, NNE	0.128
Michigan	NE, NNE	0.083

[1]*Total factors exceed 1.0 because there may be more than one state represented in a given wind direction sector.*

Adjacent State	Wind Direction Sectors	Wind Direction and Duration Factor[1]
Indiana	SSE, SE, ESE, E, NNE, NE, ENE	0.316
Kentucky	S, SSE, SE	0.231
Missouri	W, WSW, SW, SSW, S	0.480
Iowa	W, WNW, NW, NNW	0.250
Wisconsin	N, NNW, NNE	0.097
Michigan	NE, NNE	0.063

[1] Total factors exceed 1.0 because there may be more than one state represented in a given wind direction sector.

The wind duration factor is based on the percentage of the time the wind blows into Illinois from 16 directional sectors that form all of the directions in 360 degrees around Illinois. The wind direction and duration factors were developed based on ~~25~~26 years of consistent climatological data. On average this data is relatively stable over time, although at some point in the future climate change could impact the data underlying the determination of these factors. To illustrate wind duration calculations, wind blowing from Indiana would encompass seven directional sectors from which the wind blows on average ~~25~~31.6 percent of the time. Thus, a hypothetical solar facility located in Indiana would receive 1 x 0.~~319~~316 x 20 or 6.~~38~~32 points. Equation 4-1~~,~~ shows how this score is obtained (with the caveat that the minimum possible score is zero and cannot be a negative score):[249]

[249] See Final Order, ICC Docket No. 17-0838 at 21 (Apr. 3, 2018).

Equation 4-1: Pollution Score Calculation

$$Score = \left(1 - \frac{\sum_{renewable\ resource} SO_2\ and\ NO_x \left(\frac{lbs}{MWh} \right)}{\sum_{gas\ resource} SO_2\ and\ NO_x \left(\frac{lbs}{MWh} \right)} \right) \times Wind\ \ Duration\ /Direction\ \ Factor \times 20$$

The Agency's review of the scoring methodology for this criterion showed that the analytical approach ~~remains~~remained valid for ~~this~~the 2024 Long-Term Plan. However, the wind duration/direction factors ~~have been~~were updated to include 26 years of consistent data reported by the Illinois State Water Survey's Water and Atmospheric Resource Monitoring Program from ~~17~~21 reporting stations located around the state for the years ~~1997~~1999 through ~~2022~~2024[250] (rather than the period ~~1996~~1997 through ~~2020~~2022 included in the previous Plan).

2. Increasing fuel and resource diversity in this State

Fuel and resource diversity generally refers to the use of a balanced group of generating facilities and technologies which results in reducing the risk that a specific technology could adversely impact overall system reliability. For example, PJM defines fuel diversity as: utilizing multiple resource types to meet demand such that a sufficiently diversified system is expected to provide the flexibility and adaptability to: "1) mitigate risk associated with equipment design issues or common modes of failure in similar resource types, 2) address fuel price volatility and fuel supply disruptions, and 3) reliably mitigate instabilities caused by weather and other unforeseen system shocks."[251] In effect, fuel and resource diversity can act as a hedge to help ensure a stable and reliable supply of electricity.

A generation source that promotes more reliance on generation sources other than coal and nuclear, which for the year-to-date through April ~~2023~~2025 had generation shares of ~~14.9~~15.3% and ~~55.0~~50.4% of Illinois' total generation respectively,[252] would contribute to increasing fuel and resource diversity in Illinois.[253] By this measure, any of the eligible renewable energy resource generating technologies would contribute to diversity in Illinois. However, if these facilities were located outside of Illinois, in the adjacent states, the full impact on the State's fuel and resource diversity would depend on whether the electricity generated by these facilities could actually be available to Illinois end-users.

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[250] http://dx.doi.org/10.13012/J8MW2F2Q.

[251] PJM, "PJM's Evolving Resource Mix and System Reliability," March 2017, available at: ~~http://www.pjm.com/~/media/library/reports-notices/special-reports/20170330-pjms-evolving-resource-mix-and-system-reliability.ashx.~~https://www.scribd.com/document/720870987/20170330-pjms-evolving-resource-mix-and-system-reliability .

[252] ~~U.S. EIA, "Electric Power Monthly with data for April 2023, June 2023." The Agency notes that the share of coal declined from 38% and share of nuclear increased from 50.2% as reported in the Initial Plan. This is a net decline in the percentage of generation that comes from coal and nuclear (88.2% to 69.9%), which indicates that the fuel and resource diversity of the state has increased.~~ U.S. EIA, "Form 923 Monthly Survey data for April 2025, June 2025 -- Net Generation by State by Type of Producer by Energy Source." https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.eia.gov%2Felectricity%2Fdata%2Fstate%2Fgeneration_monthly.xlsx.

[253] During this period the generation share for natural gas was ~~12.9%~~14.6 reflecting a ~~45.7~~13.2% increase from the same period in ~~2022~~2023.

Given that renewable generation accounts for a smaller (albeit growing) fraction of the resource mix in Illinois as compared to nuclear and fossil fuel generation (~~16.8~~19.4% of total generation in ~~2023~~2025 through the end of April),[254] an increase of renewable generation in the region may, in theory, increase the fuel and resource diversity of Illinois. However, the Agency notes that Illinois is a net exporter of electricity, so the impact on fuel and resource diversity in Illinois may be limited for facilities located in adjacent states. While Illinois is a net exporter of electricity, that does not mean that there is no impact on Illinois from electricity generated in adjacent states, because on an hour-to-hour basis electricity may flow into, or out of, Illinois. To the extent that any electricity generated outside of Illinois but consumed in the State is generated by resources other than coal or nuclear, this generation is assumed to add to the fuel and resource diversity in Illinois.

In addressing this issue for facilities located in the adjacent states, the Agency uses the location of the renewable resource facility relative to Illinois as the basis for modifying the fuel and resource diversity score. A distance factor is calculated for each facility.[255] For ~~this~~the 2024 Long-Term Plan, the Agency used a distance factor based on the distance from the facility to a location near Morris, Illinois, which is the population weighted geographic center of the State,[256] and thus can serve as a reasonable proxy for the load-weighted center of the State. The factor is calculated as 1 minus the ratio of (i) the distance from the facility to that location near Morris and (ii) 470 miles, which is roughly the furthest point in an adjacent state from that location. That factor is multiplied by the maximum possible 20 points to provide the score for this criterion for potentially eligible renewable resource facilities located in adjacent states.[257] The fuel and resource diversity score formula is shown in Equation 4-2. In Docket No. 17-0838, the Commission had approved using the center point of the City of Morris for this calculation.[258] ~~For this~~In the 2024 Long-Term Plan, the Agency used a more precise calculation based on 2020 Census data that shifted the point used for this calculation slightly south of Morris.[259]

Additionally, consistent with the Commission's Order in Docket No. 17-0838 and the approach taken with respect to the third criterion below, a facility "that is not connected to either PJM or MISO" will receive a Fuel and Resource Diversity Score of zero.[260] Adjacent state generation facilities "within a

[254] ~~Id.~~ U.S. EIA, "Form 923 Monthly Survey data for April 2025, June 2025 -- Net Generation by State by Type of Producer by Energy Source." https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.eia.gov%2Felectricity%2Fdata%2Fstate%2Fgeneration_monthly.xlsx.

[255] Because wind farms cover a large geographic area, a wind farm's distance would be based on the geographic center of the area containing turbines that are part of that wind farm.

[256] Based on the 2020 Census. See: https://www2.census.gov/geo/docs/reference/cenpop2020/CenPop2020_Mean_ST.txt.

[257] The geographic location impact on the scores for criteria 2 and 3 for generating facilities located at greater distances from the population weighted center of Illinois can be significant. For example, a generating unit located in Marion, Kentucky, 305 miles away would receive 7.02 points out of a possible 20 for each criterion (1-305/470 x 20 = 7.02). However, such a project could still be eligible if it scored an average of 16 points for each of the other criteria.

[258] See Final Order, ICC Docket No. 17-0838 at 21 (Apr. 3, 2018).

[259] +41.312077 latitude, -088.372974 longitude, ~~https://www2.census.gov/geo/docs/reference/cenpop2020/CenPop2020_Mean_ST.txt~~https://www2.census.gov/geo/docs/reference/cenpop2020/CenPop2020_Mean_ST.txt

[260] Id. The Commission also offered that "if a facility is not connected to PJM or MISO, it should not be allowed to participate in Illinois' RPS procurement;" the Agency believes that because such a facility would score 0 out of 20 points on Criteria 2 and 3 and given the 60 point threshold, an adjacent state facility not connected to PJM or MISO would effectively be eliminated from consideration and no further scoring adjustments must be taken to give effect to the Commission's intent.

transmission control area that have a transmission usage agreement with PJM or MISO" may still receive non-zero scores under Criteria 2 and 3, however.[261]

Equation 4-2: Fuel and Resource Diversity Score

$$Score = (1\ if\ in\ PJM/MISO, else\ 0\ )x\left(1 - \frac{Distance\ from\ facility\ to\ Morris,\ \ IL\ (miles)}{470\ miles}\right)x\ 20$$

3. **Enhancing the reliability and resiliency of the electricity distribution system in this State.**

While this criterion references the "electricity distribution system" and that term is generally understood to mean the local distribution system that serves homes and businesses and not the transmission grid that transports power over longer distances (and across state lines), the Agency was originally concerned that, read literally, there would be no direct way for a facility in an adjacent state to meet this criterion because a facility in an adjacent state would have (at best) only an incidental impact on the distribution system (or more accurately systems, each operated by a different utility) within Illinois. With that in mind, the Agency has come to interpret this criterion more expansively and instead considers the impact on the grid more generally, as distribution service is ultimately supported by the reliability of transmission service. The scoring for this public interest criterion involves a threshold and, based on the assumption that generating facilities located closer to Illinois would have a more beneficial impact on the State's distribution system reliability and resiliency, a distance factor. The criterion can be understood to refer to the transmission systems operated by PJM and MISO. To the extent that a facility in an adjacent state is not interconnected to the PJM or MISO grid (for example, in the portions of Iowa and Missouri that are part of the Southwest Power Pool ("SPP")), those facilities would not score any points for this criterion. Otherwise, a facility in an adjacent state that is in either of the PJM or MISO control areas (or "within a transmission control area that has a transmission usage agreement with PJM or MISO") would be eligible to receive points. To obtain the distance factor, the Agency uses an approach that considers proximity to Illinois and thus an increased likelihood that electricity produced will provide increased system reliability and resilience.

The scoring for this public interest criterion involves the same distance factor as is applied to the fuel and resource diversity scoring; the formula for determining this factor is shown in Equation 4-3. The Agency's review of the scoring methodology and assumptions for criteria 2 and 3 confirms that distance is the factor which can be effectively incorporated into a simplified approach to determine the relative contributions of RECs from adjacent state renewable resources to meeting these public interest criteria.

Equation 4-3: Reliability and Resiliency Score

$$Score = \left(1\ \text{if in PJM/MISO; else}\ 0\right) \times \left(1 - \frac{\text{Distance from facility to Morris, IL (miles)}}{470\ \text{miles}}\right) \times\ 20$$

[261] Id.

4. Meeting goals to limit carbon dioxide emissions under federal or State law

~~At the federal level, a range of legislative and regulatory approaches have been proposed to address the carbon dioxide emissions associated with the generation of electricity using fossil fuels. On June 19, 2019, the U.S. EPA issued the Affordable Clean Energy Rule ("ACE") as the replacement for the Clean Power Plan. The ACE focused on heat rate improvement at individual coal-fired power plants as a means to reduce CO_2 emissions by improving plant operating efficiency. ACE did not contain specific CO_2 emissions limits; instead, ACE provided guidelines for states to follow in limiting CO_2 emissions.[262] In January of 2021, the DC Circuit Court vacated ACE.[263] In May 2023, the U.S. EPA proposed Clean Air Act emission limits and guidelines for carbon dioxide emitted by power plants burning fossil fuels. These limits are to be based on cost-effective and available control technologies.[264] The successful implementation of these rules (and the litigation surrounding them) will be impacted by the commercial viability of carbon capture and sequestration technology applied to fossil fuel burning power plants, which has not yet been proven to be commercial in a significant number of electric generation applications. As of the release of this 2024 Long-Term Plan, carbon emission limits for power plants have yet to be implemented and clean energy standards remain a topic of debate at the federal level. The Agency will monitor efforts to implement federal emissions limits and may update this approach in future Long-Term Plans based upon those efforts.~~

In 2015, the U.S. EPA released Clean Power Plan rules promulgated pursuant to Section 111(d) of the Clean Air Act, requiring states to develop strategies intended to reduce carbon dioxide emissions associated with electricity generation. The Clean Power Plan was subsequently stayed by the U.S. Supreme Court on February 9, 2016, and has never gone into effect. The U.S. EPA proposed the "Affordable Clean Energy" ("ACE") rule in 2018, which was intended to replace the Clean Power Plan, and finalized the rule in 2019.[265] The ACE rule established emissions guidelines for states to use for developing limits to CO2 emissions from coal-fired power plants which identifies coal plant heat rate improvements as the best system of emission reduction (BSER).[266] A coalition of 23 states challenged the rule in court and on January 19, 2021, the D.C. Circuit vacated the ACE Rule and remanded it to the EPA for further proceedings. The EPA finalized the repeal of the ACE rule on July 8, 2024, simultaneously finalizing multiple other actions under Section 111 of the Clean Air Act. These additional rules finalized emission guidelines for both coal-fired and oil/gas-fired steam generating electric generating units and finalized revisions to the New Source Performance Standards for greenhouse gas emissions from new reconstructed fossil fuel-fired stationary combustion turbine electric generating units.[267]

The EPA announced the final standards for limiting carbon emissions from coal-fired and natural gas-fired power plants on April 25, 2024.[268] Following the announcement, several industry groups and

~~[262] https://www.epa.gov/stationary-sources-air-pollution/electric-utility-generating-units-repealing-clean-power-plan.~~

~~[263] See: https://www.natlawreview.com/article/dc-circuit-vacates-trump-ace-rule-what-s-next-power-plant-co2-regulation.~~

~~[264] See https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power.~~

[265] Emissions Guidelines for Greenhouse Gas Emissions From Existing Electric Utility Generating Units; Revisions to Emission Guideline Implementing Regulations; Revisions to New Source Review Program, 83 Fed. Reg. 44746 (August 31, 2018); see also https://www.epa.gov/stationary-sources-air-pollution/proposal-affordable-clean-energy-ace-rule.

[266] See: https://www.epa.gov/stationary-sources-air-pollution/affordable-clean-energy-rule.

[267] See: https://www.federalregister.gov/documents/2024/05/09/2024-09233/new-source-performance-standards-for-greenhouse-gas-emissions-from-new-modified-and-reconstructed.

[268] Fact Sheet Carbon Pollution Standards for Fossil-Fuel-Fired Power Plants Final Rule Standards and Regulatory Impact. https://www.epa.gov/system/files/documents/2024-04/cps-111-fact-sheet-standards-and-ria-2024.pdf.

states requested that the implementation of the rule by the EPA be blocked during litigation challenging the standards. In July of 2024, the U.S. Court of Appeals for the District of Columbia denied the request, and the U.S. Supreme Court denied an emergency petition to block implementation of the standards while litigation over the standards is pursued in federal courts in October 2024, leaving the standards in place.[269] Subsequently, however, changes in federal leadership have resulted in a shift in the policy of reducing emissions over the last seven months. After the new administration took office, the U.S. EPA notified the court that it would be revising the 2024 rule and requested that the litigation be held in abeyance pending the new rule, which the court approved. On June 17, 2025, the EPA published a proposed rule that rescinds all greenhouse gas emissions standards for fossil fuel-powered electric generation units, based on a revised finding that these emissions do not "contribute significantly to dangerous air pollution."[270] The public comment period for the proposed rule closed on August 7, 2025.[271] The Agency will continue to monitor this proposed rulemaking and its impact upon energy markets.

At the state level, Illinois does not have a specific law that limits carbon dioxide emissions. However, there are multiple provisions of Illinois law, such as the Zero Emission Standard and the Renewable Energy Portfolio Standard, that recognize the value of minimizing carbon dioxide emissions even if those provisions do not create explicit limits. P.A. 102-0662 also ~~makes~~made extensive references to the consideration of carbon emission reductions and the benefits associated with reducing these emissions. To recognize the value in reducing carbon dioxide emissions, the Agency determines the score for each renewable resource facility by adjusting the 20 points available for this criterion by a factor which reflects the ratio of the CO_2 emissions from the renewable resource to the CO_2 emissions from a new natural gas-fired combined cycle generating facility, ~~745~~728 pounds of CO_2 per MWh, as shown in ~~Table 4-1 above.~~Table 4-1 above. This is done by using the formula applied to the first emissions criterion except that the inputs are pounds of CO_2 emitted per MWh. The factor applied to the 20 points available for this public interest criterion is calculated as follows:

Equation 4-4: CO_2 Score Calculation

$$Score = \left(1 - \frac{CO_{2\ \text{renewable resource}} \left(\frac{\text{lbs}}{\text{MWh}} \right)}{CO_{2\ \text{gas resource}} \left(\frac{\text{lbs}}{\text{MWh}} \right)} \right) \times 20$$

Renewable generating facilities that do not emit any CO_2 receive the full 20 points, while renewable generating facilities that emit CO_2 receive points based on the factor multiplied by the 20 points. Because CO_2 emissions are generally considered to be a global problem (in that CO_2 emissions anywhere on the planet contribute to global warming, which then affects the health and welfare of the citizens of Illinois), wind direction, duration, and distance from Illinois' load-weighted center are

[269] States' Emergency Application for an Immediate Stay of Administrative Action Pending Review in the D.C. Circuit, https://ago.wv.gov/Documents/Carbon%20Rule%20Stay%20Application.pdf.

[270] Repeal of Greenhouse Gas Emissions Standards for Fossil Fuel-Fired Electric Generating Units, Federal Register, vol. 90, 25752. https://www.federalregister.gov/documents/2025/06/17/2025-10991/repeal-of-greenhouse-gas-emissions-standards-for-fossil-fuel-fired-electric-generating-units#h-20

[271] Id.

not relevant for the scoring of this criterion and therefore are not included in the calculation.[272] Comparing the CO_2 emissions from each renewable resource to the emissions from the most likely alternative generation, usually a gas-fired combined-cycle plant, remains a practical means for determining the score for this criterion.

5. Contributing to a cleaner and healthier environment for the citizens of this State

This criterion is arguably the most subjective in nature, and presents unique challenges given that the Agency strives to use objective approaches to the greatest extent possible when considering the public interest criteria. The Agency believes that renewable resources inherently contribute to a cleaner and healthier environment generally (with the caveat related to emissions from renewable resources that involve combustion, discussed above) because they reduce the reliance on fossil fuels and have no safety issues associated with the containment and disposal of radioactive materials that result from nuclear generation. Under this ~~2024~~2026 Long-Term Plan, the points awarded for this public interest criterion are the average of the points awarded under the first and fourth public interest criteria described above. This approach takes into account the emissions from renewable resource facilities that involve combustion and, subsequently, emissions, which would not contribute to a cleaner and healthier environment for the citizens of Illinois.

The Agency solicited stakeholder feedback on the public interest criteria scoring during its development of this 2026 Long-Term Plan. Specifically, the Agency sought feedback as to whether there are additional quantitative criteria that should be considered for scoring facilities in adjacent states. The Agency received one recommendation that it consider the NYSERDA NY-Sun program process for scoring locational value to the grid to address present and future congestion. Upon review of the NY-Sun program, the Agency did not find elements of that program that adequately linked to the IPA's adjacent state scoring criteria.

Additionally, the Agency received feedback that determining the location of a project should be based on a project's interconnection point rather than the geographic center of a project.[273] However, the Agency has not been persuaded of the value of changing this scoring criteria. Based on the Table below, the IPA believes that the current approach for determining a project's location has resulted in an adequate balance of in-state and adjacent state project selection across procurements conducted since CEJA's passage. While the vast majority of projects are Illinois-based (thus ensuring Illinois primarily benefits from projects being supported by Illinois ratepayers), selection data demonstrates that adjacent state projects have a meaningful opportunity for participation.

[272] The Agency notes that the Zero Emission Standard Plan contains a different scoring methodology for CO_2 emissions, but that methodology is based upon the impacts of replacement generation and the consideration related to "minimizing carbon dioxide emissions that result from electricity consumed in Illinois" (20 ILCS 3855/1-75(d-5)(1)(C)), which is not the same standard as under consideration in qualifying adjacent-state facilities for the RPS.

[273] See https://ipa.illinois.gov/energy-procurement/plans-under-development/stakeholder-feedback-on-2026-long-term-plan-chapter-questions.html.

Table 4-3: Indexed REC Contract Awards:
Projects in Illinois vs. Adjacent States from 2022-2025

Quantity of Annual REC Deliveries						
Year	Illinois	Iowa	Indiana	Missouri	Total RECs	% Adjacent State
2022	1,690,774	718,617	-	-	2,409,391	30%
2023	2,751,606	433,603	-	-	3,185,209	14%
2024	4,453,733	-	-	223,802	4,677,535	5%
2025	2,682,865	-	545,275	-	3,228,140	17%
Total	11,578,978	1,152,220	545,275	223,802	13,500,275	14%

Number of Projects						
Year	Illinois	Iowa	Indiana	Missouri	Total Projects	% Adjacent State
2022	15	2	-	-	17	12%
2023	18	2	-	-	20	10%
2024	11	-	-	1	12	8%
2025	8	-	2	-	10	20%
Total	52	4	2	1	59	12%

4.4 Cost Recovery Requirement

Section 1-75(c)(1)(J) of the Act contains the following provision:

> *In order to promote the competitive development of renewable energy resources in furtherance of the State's interest in the health, safety, and welfare of its residents, renewable energy credits shall not be eligible to be counted toward the renewable energy requirements of this subsection (c) if they are sourced from a generating unit whose costs were being recovered through rates regulated by this State or any other state or states on or after January 1, 2017.*

Generally speaking, the Agency understands that facilities owned by a rural electric cooperative or a municipal utility are not impacted by this criterion (as in Illinois, those entities' rates are not regulated by this *State* or any other), although the Agency notes that there are certain adjacent states which regulate some rural electric cooperative and municipal utility rates. Therefore, the Agency cannot issue a blanket approval under this provision of facilities owned by rural electric cooperatives or municipal utilities service territories in adjacent states; rather, as those facilities request eligibility, their rate recovery status will be reviewed.

The Agency also understands that this provision was primarily intended to ensure that facilities owned by a vertically integrated utility, for which REC revenues may be incidental to building and

financing the facility (as that facility's costs could be recovered from ratepayers in that other state, potentially resulting in a credit or discount to those ratepayers for any REC revenues—effectively causing Illinois ratepayers to cross-subsidize those in vertically integrated states) would not be eligible. Another situation that has been brought to the Agency's attention concerns a proposed project to be developed by an Illinois non-electric utility (a gas or water utility, for instance) featuring delivery service rates that are regulated by the Illinois Commerce Commission with cost recovery then sought over the cost of the renewable energy generating facility. Regardless of whatever may have been the primary purpose informing Section 1-75(c)(1)(J)'s enactment, this situation would seem to clearly fit Section 1-75(c)(1)(J)'s prohibition: the renewable generation facility's costs would be recovered through state-regulated rates. Consequently, the IPA understands such projects' RECs as being barred from participation in the Illinois RPS (including in, say, the Adjustable Block Program) insofar as rate recovery is sought for those projects.

On the other hand, the mere presence of a Power Purchase Agreement between a facility and a separate utility whose costs are recovered in regulated rates would not trigger these criteria (nor would participation in the IPA's energy procurement events, for which regulated utilities serve as contractual counterparties, or participation in a net metering or similar energy crediting program, which would serve to disqualify the very facilities that other portions of the Illinois RPS work to support). Likewise, the Agency believes that being a Qualifying Facility under the Public Utility Regulatory Policies Act ("PURPA")[274] (and also meeting the other aspects of the requirements of the Illinois RPS), would not be disqualifying because the Qualifying Facility does not directly recover its costs through rates; rather, it is compensated for its energy at the purchasing utility's avoided cost rate.

Facilities located in adjacent states must proactively request eligibility for the utility RPS pursuant to the public interest criteria standard explained above. Those requests to meet the public interest criteria are required to include a notarized certification, and documentation, that the facility does not have its costs recovered through regulated rates. For a distributed generation facility, simple documentation of ownership will suffice. For larger facilities, the Agency has not utilized a firm standard of documentation but believes there are multiple approaches that could be used by a requesting facility. These include, but are not limited to:

- For facilities tracked in CleanCounts (formerly M-RETS,), documentation to support the status listed in the "Facility Ownership Type" field
- A Market Based Rate authorization letter from the Federal Energy Regulatory Commission that demonstrates that the facility owner is not a utility with costs recovered through regulated rates
- Certification as a Qualifying Facility
- Use of information from other sources such as the S&P Global Intelligence Briefing Book, or the Platts UDI Directory of Electric Power Producers and Distributors

The Agency will review (in consultation with the ICC) information provided for a facility, and may, as needed, request additional information to verify a facility's status.

In addition to the screening process described above, all contracts from IPA-administered REC procurements or programs utilized since the effective date of P.A. 99-0906 contain provisions to

[274] 16 U.S.C. §§ 796(17), 824a-3, 824i.

reflect this additional requirement of Section 1-75(c)(1)(J) (and will continue to do so going forward):

> *Each contract executed to purchase renewable energy credits under this subsection (c) shall provide for the contract's termination if the costs of the generating unit supplying the renewable energy credits subsequently begin to be recovered through rates regulated by this State or any other state or states; and each contract shall further provide that, in that event, the supplier of the credits must return 110% of all payments received under the contract. Amounts returned under the requirements of this subparagraph (J) shall be retained by the utility and all of these amounts shall be used for the procurement of additional renewable energy credits from new wind or new photovoltaic resources as defined in this subsection (c). The long-term plan shall provide that these renewable energy credits shall be procured in the next procurement event.*

The Agency notes that Section 1-75(c)(1)(J) also provides a limited exception to this provision for facilities that participate in the Illinois Solar for All Program outlined in Section 1-56 of the Act:

> *Notwithstanding the limitations of this subparagraph (J), renewable energy credits sourced from generating units that are constructed, purchased, owned, or leased by an electric utility as part of an approved project, program, or pilot under Section 1-56 of this Act shall be eligible to be counted toward the renewable energy requirements of this subsection (c), regardless of how the costs of these units are recovered.*

4.5 High-Voltage Direct Current Transmission Lines and Converter Stations

Section 1-75(c)(1)(I) and (J) were revised in 2021 under P.A. 102-0662 to support utility-scale renewable energy projects utilizing high-voltage direct current ("HVDC") transmission lines and converter stations, providing a more expansive approach to qualifying adjacent state generating facilities than previously employed under Section 1-75(c)(1)(I) when certain criteria are met.

Section 1-75(c)(1)(I) states in relevant part that:

> *If (i) a new HVDC transmission line ends at a converter station located in Illinois and interconnected in the region of the PJM interconnection, (ii) was constructed using a project labor agreement, (iii) is capable of transmitting electricity at 525 kV, (iv) does not operate as a public utility, and (v) was energized after June 1, 2023, then the RECs associated with any renewable energy transmitted over that HVDC transmission line with a verified customer in Illinois will be deemed to have been sourced from a generation facility in Illinois for purposes of RPS qualification. This would make those RECs eligible for competitive procurements conducted by the IPA, even if the underlying generating facility itself was not located in Illinois (or an adjacent state) and could not meet the scoring threshold outlined above.*[275]

At present there are no new HVDC transmission lines with converter stations located in Illinois in operation, although there currently is a project which could potentially meet the requirements. The

[275] However, that facility would not be eligible if the generating facility's costs were recovered through state-regulated rates, as that prohibition remains in effect even for in-state generation.

SOO Green HVDC Link is a proposed 350-mile, 2,100 MW, 525 kV, bidirectional, underground HVDC transmission line that would run from Mason City, Iowa to Plano, Illinois to connect with PJM's transmission system. The proposed pathway will run along railroad and highway rights-of-way with 173.8 miles in Iowa and 176.2 miles in Illinois.[276] The line will provide a path for renewable energy generated in Iowa to reach markets in Illinois. ~~Subject to regulatory, permitting, and interconnection issues, the developers of the line project that it will go into operation by April 2029.~~

Relatedly, Grain Belt Express is a proposed HVDC project of nominally 600 kV with a capacity of 5,000MW that will run from a converter station in Ford County, Kansas to a proposed converter station in Clark County, Illinois then through a 345 AC transmission line to an interconnection with PJM at the Sullivan Substation of American Electric Power Company ("AEP") in Sullivan County, Indiana.[277] If developed, the line will deliver renewable energy from generation projects in Southwestern Kansas or the Southwest Power Pool ("SPP") with 2,500 MW to points of interconnection in MISO and up to 2,500 MW to a point of interconnection with PJM at the AEP Sullivan Substation. The total length of the proposed line is 800 miles to be built in two phases. Phase 1 will run from Ford County, Kansas to the interconnection points in Missouri~~ and is currently scheduled to begin construction by the end of 2024; no schedule for the commencement of operation of Phase 1 has been announced.~~.~~ Phase 2 will run from a converter station in Missouri to the Sullivan Substation.~~ The schedule for construction and operation of Phase 2 has not been announced.~~

Revisions to Section 1-75(c)(1)(I) also clarify that the Agency may qualify RECs "associated with the electricity generated by a utility-scale wind energy facility or utility-scale photovoltaic facility and transmitted by a qualifying direct current project described in subsection (b-5) of Section 8-406 of the Public Utilities Act to a delivery point on the electric transmission grid located in this State or a state adjacent to Illinois,"[278] but only if this Chapter's public interest criteria scoring is satisfied. As that electricity must be transmitted to "a delivery point…located in this State or a state adjacent to Illinois," the IPA's first-blush interpretation is that this delivery point should be treated as the location of the generating facility in public interest criteria scoring. While the Agency appreciates that this interpretation may allow for participation from utility-scale wind and solar projects located further from Illinois than would otherwise be allowed (and those projects may offer lesser benefits back to Illinois residents and businesses), utilizing the location of a wind or solar project for public interest scoring would render this new statutory language meaningless, as projects utilizing qualifying direct current projects would be treated equivalently to those that did not.

Section 1-75(c)(1)(J) contains only one change enacted through P.A. 102-0662, stating that "[a]s long as a generating unit or an identifiable portion of a generating unit has not had and does not have its costs recovered through rates regulated by this State or any other state, HVDC renewable energy

[276] Anthony A. Alvarez, Iowa Office of Consumer Advocate, filed with the Iowa Utilities Board ~~June7~~June 7, 2023, regarding the SOO Green HVDC Line ProjectCo, LLC in Docket No. E-22436.

[277] See Final Order, ICC Docket No. 22-0499 (Mar. 8, 2023).

[278] Section 8-406(b-5) of the PUA defines a "qualifying direct current project" as a "high voltage direct current electric service line that crosses at least one Illinois border, the Illinois portion of which is physically located in the Midcontinent Independent System Operator, Inc. or its successor organization, and runs through the counties of Pike, Scott, Greene, Macoupin, Montgomery, Christian, Shelby, Cumberland, and Clark, is capable of transmitting electricity at voltages of 345kv or above, and may also include associated interconnected alternating current interconnection facilities in this State that are part of the proposed project and reasonably necessary to connect the project with other portions of the grid."

credits[279] associated with that generating unit or identifiable portion thereof shall be eligible to be counted" under the Illinois RPS. The IPA understands this language as clarifying that, for HVDC renewable energy credits, whether the underlying generating facility has its costs recovered through state-regulated rates is what carries an RPS eligibility prohibition under subparagraph (J), but not whether the HVDC transmission line or converter station has its costs recovered through state-regulated rates.

4.6 Application Process

The eligibility of RECs from renewable energy generating facilities located in states adjacent to Illinois is not automatically granted, because the Act requires that approval comes only after "the generator demonstrates and the Agency determines" that the facility's operation meets the public interest criteria discussed above.[280] That determination requires an active request (demonstration) by an interested generator. Renewable generating facilities in adjacent states may apply to the Agency for consideration for eligibility for the RPS.[281]

Shortly after the approval of its Initial Plan, the Agency developed an application form (in the form of an Excel spreadsheet) for use by owners/agents of adjacent-state facilities that wish to have RECs from those projects considered to be eligible for the Illinois RPS. The information to be entered into the application form includes the generating technology (including information on emissions rates if the technology involves combustion), state where the generator is located, distance from the population-weighted geographical center of Illinois, the Regional Transmission Organization ("RTO") where the facility is or planned to be interconnected (e.g., PJM, MISO, SPP), and the tracking system ID (for existing facilities). The application form automatically calculates the score for the facility. In addition, the generator must also include information related to the provision limiting the recovery of costs in rates described in this chapter.

As discussed above, the Agency will continue to review and, as necessary, update the data used in the eligibility calculations on a bi-annual basis in conjunction with the Plan update to use the most recent available inputs ~~(and has done so for this Final 2024 Long-Term Plan,[282] determining that minor changes were needed for the wind direction/duration factors and the natural gas combined cycle power plant emissions),~~ but a facility's determination of eligibility will be based on the data available at the time of the request for determination (in other words, a facility would not risk having its eligibility revoked at a later date if the inputs changed after the initial eligibility determination is made by the Agency).[283]

The Agency will review applications to verify the information submitted (e.g., confirming the distance inputs), and if the facility has a score equal to or greater than 60 points (and meets the cost recovery

[279] Section 1-10 of the IPA Act defines "HVDC renewable energy credits" as RECs "associated with a renewable energy resource where the renewable energy resource has entered into a contract to transmit the energy associated with such renewable energy credit over high voltage direct current transmission facilities."

[280] 20 ILCS 3855/1-75(c)(1)(I).

[281] An exception is made for the out-of-state facilities that have LTPPA contracts with the utilities. As discussed in Section ~~4.1~~4.1, those facilities are grandfathered in and remain eligible to provide RECs for compliance with the Illinois RPS.

~~[282] The current application form based on scoring values approved in this 2024 Long-Term Plan is available at: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/Il-rps-adjacent-state-facility-determination-eligibility-23feb2024.xlsx.~~

[283] The current application form based on scoring values approved in the 2024 Long-Term Plan is available at: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/Il-rps-adjacent-state-facility-determination-eligibility-23feb2024.xlsx.

requirement found in Section 1-75(c)(1)(J) of the Act, discussed further below), the Agency will approve the facility as eligible to produce renewable energy credits for compliance with the Illinois RPS. The Agency will inform the applicable tracking system (GATS or CleanCounts (formerly M-RETS)) that the facility should be coded as Illinois RPS eligible.

For facilities seeking to qualify by virtue of RECs associated with electricity transmitted across qualifying HVDC lines or transmitted to an HVDC converter station in Illinois, the Agency is still assessing what demonstration is necessary for qualification. As the Agency would no longer be assessing the physical location of a project and would instead be making determinations around RECs associated with electricity transmitted to a certain point and in a certain manner, the Agency is continuing to assess how this new approach to RPS qualification can be integrated into its source-specific competitive procurement processes. Until that process is formalized—and noting that applicable HVDC lines and transmission stations are apparently in the early stages of development—those requests will be handled within the context of individual procurement event qualification.[284]

In the case of a new adjacent-state facility that is not yet operational (and thus also not registered in GATS or CleanCounts (formerly M-RETS)), an owner may submit a request for determination of eligibility based upon the planned design of the facility. If the Agency determines that the planned facility does meet the public interest criteria, then it will grant a pre-approval of the eligibility. It is the responsibility of the facility owner to notify the IPA and the tracking system once the facility is operational to request being coded as eligible for the Illinois RPS in the applicable tracking system. The Agency will review final system information to verify consistency with the information submitted for the pre-approval.

[284] Perhaps, notably, no party sought additional clarity around those HVDC-related qualification processes in ICC Docket No. 22-0231, the Commission's proceeding approving the 2022 Long-Term Plan.

5. Competitive Procurements

The Agency is charged with developing procurement plans and conducting competitive procurement processes in accordance with the requirements of Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act. The competitive procurement process is applicable to the events held by the Agency to obtain RECs from utility-scale wind and hydropower projects, utility-scale solar, and brownfield site photovoltaic resources.[285] While the term "competitive procurement event" is not specifically defined in the IPA Act or the PUA, the Agency understands the term "competitive procurement event" to be an element of, or commensurate with a "competitive procurement process."

This Chapter addresses requirements applicable to those competitive procurement processes, including procurement quantities sought through competitive procurement events (which correspond to RPS budgets and targets outlined in Chapter 3), processes for supporting projects located in Energy Transition Community Grant areas and projects featuring increased ~~equity-eligible contractor~~Equity Eligible Contractor participation, labor requirements applicable to project development, and an Indexed REC pricing approach through which REC prices float up or down based on indexed wholesale energy ~~market~~ prices, ensuring stable revenues across the delivery term of a REC delivery contract.

Throughout this Chapter, the competitive procurements conducted by the Agency are termed as "forward procurements," as they are procurements that have a delivery date in the future and the contract term is for multiple years.

5.1 Background - Agency Approach in Past Procurements

The procurement approach the Agency has used for prior competitive REC procurements, including the Initial Forward Procurements and the forward procurements conducted under the Initial and First Revised Plans, stems from the approach laid out in Section 16-111.5 of the PUA for "standard wholesale product" (i.e., block energy, capacity, etc.) procurements.

This process traditionally included the following key provisions, although modifications to governing law through P.A. 102-0662 resulted in changes from certain aspects of this approach; those modifications are discussed later in this Chapter:

- Standard contracts and credit provisions
- Sealed bids with pay-as-bid settlement
- Use of confidential benchmarks to eliminate bids not consistent with the market
- Bid selection based on price
- No post-bid negotiations
- Procurement Administrator evaluates bids and provides confidential recommendation to the Commission for approval

[285] As discussed further in ~~Section~~Sections 5.5.1 and 5.5.4 below, with the passage of ~~P.A.~~Public Acts 103-1066 and 103-0380, respectively, competitive procurement processes may ~~also~~now be used to bring RECs under contract from repowered wind projects and newly modernized or retooled hydropower dams. The Agency "shall also consider other approaches, in addition to competitive procurements, to procure renewable energy credits from new and existing hydropower facilities to support the development and maintenance of these facilities."

- Procurement Administrator provides bidder interface including training
- Uniform/standardized bid forms
- Uniform/standardized/harmonized credit requirements
- Procurement Monitor involvement

These provisions define a procurement process that has multiple stages.

- The Procurement Administrator develops draft contracts in consultation with the utilities, the Agency, the Procurement Monitor,[286] and ICC Staff.
- Draft contracts are released for public comment.
- The Procurement Administrator, the Agency, the utilities, ICC Staff, and the Procurement Monitor review all comments received on the draft contract and revise the contract as needed.[287]
- Typically, the Procurement Administrator holds an informational webcast upon release of the final contracts and RFP rules.
- Submission of Proposals is in two parts:
    - Part 1 for pre-qualification – allows bidders to provide basic information and agree to the terms of the contract and the RFP rules.
    - Part 2 for registration of bidders – allows bidders to update information, make additional certifications including confidentiality of bidding information, and post bid assurance collateral.
- ~~Bids~~Bid submission – on the bid date, bidders submit bids using a standardized bid form.
- Evaluation of Bids – the Procurement Administrator evaluates bids based on price, procurement objectives, and priorities; identifies the winning bids; and prepares a recommendation for the Commission. The Procurement Monitor observes the bidding and evaluation process and makes its own recommendation.[288]
- Commission decision – After review of the Procurement Administrator's and Procurement Monitor's reports and recommendations, the Commission renders a decision on the results of the procurement event.[289]
- Release of procurement results – The Procurement Administrator releases the results of the procurement event; confidential information is protected.[290]
- Contract execution with the utilities – Within three business days of Commission approval of the procurement results, utilities and winning bidders sign binding contractual arrangements using the standard form contracts.[291]

~~As~~In addition to the standard procurement process defined above, starting with the Summer 2025 Indexed REC procurement, the Agency implemented two post-award contract changes: an inflation adjustment mechanism and an annual REC quantity adjustment mechanism. Both processes are

[286] The Procurement Monitor is an independent consultant that works on behalf of the Commission to oversee all aspects of the procurement process. 220 ILCS 5/16-111.5(c)(2).

[287] If agreement between the Procurement Administrator and the utilities is not reached on the terms and provisions of the contracts, any disputes are resolved by the Commission. 220 ILCS 5/16-111.5(e)(2).

[288] 220 ILCS 5/16-111.5(f).

[289] Id.

[290] 220 ILCS 5/16-111.5(h).

[291] 220 ILCS 5/16-111.5(g).

described in greater detail in Section 5.4.8. The inflation adjustment mechanism accounts for changes to project costs due to inflation occurring between the time that the developer bids into the IPA's competitive procurement event and the adjustment date, which is typically around financial close of the project. The post-award REC delivery quantity change provides Sellers with an opportunity to request a one-time reduction of their REC delivery obligation, prior to start of construction, if there is a significant reduction to the nameplate capacity size or annual generation as a result of one of the following four project development changes: changes to the land area being considered for the project, an increase in interconnection costs, an increase in transmission upgrade or reconfiguration costs, and changes in availability of project construction materials.

Finally, as Section 1-75(c)(1)(G)(vi) of the Act requires that competitive procurements "shall follow the procurement processes and procedures described in this Section and Section 16-111.5 of the Public Utilities Act to the extent practicable," the competitive procurements for RECs described in ~~the 2024~~this 2026 Long-Term Plan generally follow this approach.

5.2 Past REC Procurements conducted by the IPA

5.2.1 Procurements Conducted Prior to P.A. 99-0906

Before P.A. 99-0906 was enacted, competitive procurements for renewable energy resources were frequently "spot market" procurements for RECs from specific product categories, rather than procurements designed to incent the development of specific projects. Those procurements were generally authorized through the Agency's annual electricity procurement plan, which prior to the enactment of P.A. 99-0906 included consideration of renewable energy resources as well as energy and capacity for eligible retail customers.[292]

The Agency ~~did conduct~~conducted several procurements ~~that were~~ tied to RECs from specific projects including:

- 2010 Long-Term Power Purchase Agreements ("LTPPA") procurements for Ameren Illinois and ComEd (20-year contracts, bundled RECs and energy, 600,000 RECs per year and 1,261,725 RECs per year, respectively).
- 2015 and 2016 Supplemental Photovoltaic procurements using the RERF (5-year contracts, with a provision to allow time for identification of under 25 kW systems) (39,790 RECs per year).
- 2015-2017 Distributed Generation procurement for Ameren Illinois, ComEd, and MidAmerican (5-year contracts, some of which included provisions to allow for time for identification of under 25 kW systems, 34,327 RECs per year).

As the above-listed procurements were conducted prior to P.A. 99-0906's shift to centralized renewables planning across all retail customer load, these procurements were generally funded through only either eligible retail customers (default supply customers) or the state of Illinois. Some of these procurements, especially the LTPPAs, still provide RECs that are used to help meet Section

[292] One exception was a "Rate Stability" procurement of RECs conducted in 2012 pursuant to P.A. 97-0616.

1-75(c)(1)(B)'s RPS goals, although RECs from systems energized prior to June 1, 2017 cannot be utilized to meet Section 1-75(c)(1)(C)'s targets for the procurement of RECs from new projects.

Additional details on procurements conducted prior to the enactment of P.A. 99-0906 can be found in prior Long-Term Plans.

5.2.1.1 Procurements Conducted After P.A. 99-0906

With the enactment of Public Act 99-0906 ~~(with an~~, effective ~~date of~~ June 1, 2017~~),~~, the Agency began conducting procurements to meet RPS requirements applicable to *all* retail customer sales. The first such procurements were the Initial Forward Procurements, conducted prior to the finalization of the Initial Plan.[293] After the Initial Plan's approval, the Agency conducted a series of procurements conducted under the Commission's authority granted through its Order approving that Plan in Docket No. 17-0838. Competitive REC procurements conducted after P.A. 99-0906's passage across 2017-2021 are listed below:

- 2017 and 2018 Initial Forward Procurements (15-year contracts for new utility-scale wind and new utility-scale solar, 965,000 Wind RECs, and 1,000,000 Solar RECs per year procured).
- October 2018 First Subsequent Forward Procurement (15-year contracts for new utility-scale wind, 1,979,753 RECs procured).
- November 2018 Photovoltaic Forward Procurement (15-year contracts for new utility-scale solar, 2,000,000 RECs).
- July 2019 Brownfield Site Forward Procurement (15-year contracts, quantity not released due to only two projects selected).
- Second Subsequent Forward Procurement (15-year contracts for new utility-scale wind). Two procurement events~~,~~ conducted October 2019 and March 2021; no bids were accepted in either procurement).
- Community Renewable Generation Procurement (15-year contracts for non-PV renewable technologies; no bids were accepted).
- Low-income Community Solar Pilot Project Procurement (15-year contracts; conducted pursuant to Section 1-56(b)(2)(D) of the Act).

The Second Subsequent Forward Procurement (new utility-scale wind), Community Renewable Generation Forward Procurement (non-photovoltaic), and the Low-income Community Solar Pilot Project Procurement ~~(part of Illinois Solar for All)~~ were all conducted in the Fall of 2019. ~~Both~~Neither the Second Subsequent Forward Procurement ~~and~~nor the Community Renewable Generation Forward Procurement[294] ~~did not produce~~produced any winning bids. Consistent with the Commission's Order in Docket No. 19-0995,[295] the Agency conducted an additional procurement

[293] See 20 ILCS 3855/1-75(c)(1)(G)(i), (ii).

[294] The community renewable generation forward procurement was for non-solar community renewable generation, which the Agency anecdotally understands may be a challenging technological and financial proposition given the 2 MW statutory size limit on community renewable generation projects.

[295] See Final Order at 17-18, ICC Docket No. 19-0995 (Feb. 18, 2020).

event for RECs from new utility-scale wind projects in the Spring of 2021; however, no bids were selected.[296]

~~Based on challenges outlined in comments received after the conclusion of unsuccessful new utility-scale wind procurement events –~~ The Agency addressed many of the challenges in this process - namely, the inability to obtain a bundled REC and energy contract through the IPA, the paucity of long-term energy-only off-takers for geographically-qualifying new utility-scale wind and solar projects, and the risks inherent with fixed price REC revenues against potentially volatile wholesale energy market prices – ~~the Agency hopes that some of these challenges have been addressed~~ through the shift to an Indexed REC price contract structure.[297] Further discussion of that structure is found in Section ~~5.7 below.~~5.7.

~~The table below~~Table 5-1 below provides an outline of those competitive procurements conducted between the effective dates of Public Act 99-0906 in July of 2017 and Public Act 102-0662 in September of 2021. This includes both the statutorily required Initial Forward Procurements which were conducted prior to the approval of the Initial Long-Term Plan as well as procurements authorized in Long-Term Plans~~:~~

[296] See https://www.ipa-energyrfp.com/2018-2019-2021-subsequent-forward-procurements/ for additional information.

[297] Comments can be found here: https://ipa.illinois.gov/energy-procurement/wind-comments-2020.html.

~~Table 5-1: 2017-2021 Competitive Procurements Summary~~[298]

Procurement	Technology	Procurement Date	Annual REC Target	Annual RECs Procured	Annual Spend ($)	Project Status[A]
Initial Forward	Wind (utility-scale)	Summer 2017	1 million	0.965 million	3.4 million	2 completed
Initial Forward	Photovoltaic (utility-scale)/ (Brownfield)	Summer 2017 and Spring 2018 (three events)	1 million	1 million	5.9 million	4 completed, 1 terminated
First Subsequent Forward	Wind (utility-scale)	Fall 2018	2 million	1.98 million[B]	6.41 million	2 completed, 2 terminated
Brownfield Site Forward[C]	Photovoltaic (Brownfield)	Fall 2018 /Summer 2019[D]	0.08 million	Quantity not disclosed	Not disclosed	2 completed
Photovoltaic Forward	Photovoltaic (utility-scale)	Fall 2018	2 million	2 million	9.28 million	3 completed, 6 terminated
Second Subsequent Forward	Wind (utility-scale)	Fall 2019	1 million	0	0	N/A
Community Renewable Generation Program Forward	Any Non-Photovoltaic (with subscribers)	Fall 2019	0.05 million	0	0	N/A
Low-Income Community Solar Pilot Project[E]	Photovoltaic (with community participation/ subscribers)	Fall 2019	Set on a $20 million budget	Quantity not disclosed	Not disclosed	2 under development
Utility-scale Wind Forward Procurement	Wind (utility-scale)	Spring 2021	1 million	0	0	N/A

[A] *Completed projects have begun REC deliveries; projects still under development have received extensions on their initial REC delivery dates, and terminated projects are projects that have been removed from REC delivery contracts for not having met their initial REC delivery date deadline.*
[B] *The marginal bidder declined an award of 0.02 million RECs which would have represented a very small portion of their RECs bid and thus was not economically feasible.*
[C] *The procurement had only two winning bidders therefore certain information is not disclosed per previous Commission Orders in order to maintain bidder confidentiality. By releasing quantity information in a procurement with two winning bidders, each bidder would be able to determine the quantity of the other's selected bid, and thus determine that other bidder's bid price.*
[D] *When originally conducted in 2018, the Brownfield Site Forward Procurement did not procure any RECs and a procurement was conducted a second time in the Summer of 2019.*
[E] *The procurement had only two winning bidders therefore certain information is not disclosed per previous Commission Orders in order to maintain bidder confidentiality. By releasing quantity information in a procurement with two winning bidders, each bidder would be able to determine the quantity of the other's selected bid, and thus determine that other bidder's bid price.*

[298] ~~15-year REC delivery term from new generating facilities.~~

The Agency's competitive procurement events that have been conducted since the September 15, 2021 enactment of Public Act 102-0662 are described in Section ~~5.4 below.~~5.4.

Table 5-1: 2017-2021 Competitive Procurements Summary[299]

Procurement	Technology	Procurement Date	Annual REC Target	Annual RECs Procured	Annual Spend $	Project Status[A]
Initial Forward	Wind (utility-scale)	Summer 2017	1 million	0.965 million	3.4 million	2 completed
Initial Forward	Photovoltaic (utility-scale)/(Brownfield)	Summer 2017 and Spring 2018 (three events)	1 million	1 million	5.9 million	4 completed, **1 terminated**
First Subsequent Forward	Wind (utility-scale)	Fall 2018	2 million	1.98 million[B]	6.41 million	2 completed, **2 terminated**
Brownfield Site Forward[C]	Photovoltaic (Brownfield)	Fall 2018 /Summer 2019[D]	0.08 million	Quantity not disclosed	Not disclosed	2 completed
Photovoltaic Forward	Photovoltaic (utility-scale)	Fall 2018	2 million	2 million	9.28 million	4 completed, **5 terminated**
Second Subsequent Forward	Wind (utility-scale)	Fall 2019	1 million	0	0	N/A
Community Renewable Generation Program Forward	Any Non-Photovoltaic (with subscribers)	Fall 2019	0.05 million	0	0	N/A
Low-Income Community Solar Pilot Project[E]	Photovoltaic (with community participation/subscribers)	Fall 2019	Set on a $20 million budget	Quantity not disclosed	Not disclosed	2 under development
Utility-scale Wind Forward Procurement	Wind (utility-scale)	Spring 2021	1 million	0	0	N/A

[A] Completed projects have begun REC deliveries; projects still under development have received extensions on their initial REC delivery dates, and terminated projects are projects that have been removed from REC delivery contracts for not having met their initial REC delivery date deadline.
[B] The marginal bidder declined an award of 0.02 million RECs which would have represented a very small portion of their RECs bid and thus was not economically feasible.
[C] The procurement had only two winning bidders therefore certain information is not disclosed per previous Commission Orders in order to maintain bidder confidentiality. By releasing quantity information in a procurement with two winning bidders, each bidder would be able to determine the quantity of the other's selected bid, and thus determine that other bidder's bid price.
[D] When originally conducted in 2018, the Brownfield Site Forward Procurement did not procure any RECs and a procurement was conducted a second time in the Summer of 2019.
[E] The procurement had only two winning bidders therefore certain information is not disclosed per previous Commission Orders in order to maintain bidder confidentiality. By releasing quantity information in a procurement with two winning bidders, each bidder would be able to determine the quantity of the other's selected bid, and thus determine that other bidder's bid price.

[299] 15-year REC delivery term from new generating facilities.

5.3 Statutory Requirements

Requirements applicable to competitive procurements conducted by the IPA can be found in Section 16-111.5 of the PUA and Section 1-75 of the IPA Act. Requirements applicable to this Plan's content are generally included in the PUA; those are outlined below.

Section 16-111.5(b)(5)(ii)(B)(aa) of the PUA requires that this Plan:

> *"Identify the procurement programs and competitive procurement events consistent with the applicable requirements of the Illinois Power Agency Act and shall be designed to achieve the goals set forth in subsection (c) of Section 1-75 of that Act."*

The "competitive procurement events" contemplated by the IPA are discussed in this Chapter, while the "procurement programs" are discussed in Chapters 6, 7, and 8. Also specifically addressed in this chapter is the following additional provision (bb) of that subsection of the Act regarding REC procurements subsequent to the Initial Forward Procurement:

> *"Include a schedule for procurements for renewable energy credits from utility-scale wind projects, utility-scale solar projects, and brownfield site photovoltaic projects consistent with subparagraph (G) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act."*

Section 16-111.5(b)(5)(iii) further states that,

> *"For those renewable energy credits subject to procurement through a competitive bid process under the plan or under the initial forward procurements for wind and solar resources described in subparagraph (G) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act, the Agency shall follow the procurement process specified in the provisions relating to electricity procurement in subsections (e) through (i) of this Section."*

In addition, Section 16-111.5(e)-(i) includes requirements applicable to competitive procurement events, many of which are outlined in Section 5.1 above. Section 1-75(c)(1)(G)(vi) incorporates those requirements into competitive REC procurement events "to the extent practicable." The Agency has generally found those requirements practicable ~~to include~~, although other sections of the IPA Act – including Sections 1-75(c)(1)(G)(v), 1-75(c)(1)(P), and 1-75(c-10) – require deviation from Section 16-111.5's standard competitive procurement process. Additional discussion of changes to the competitive procurement structure necessitated by these sections of the IPA Act can be found below.

The Agency has achieved generally positive results in ~~past experience with~~ its competitive bid processes. REC delivery prices have proven competitive~~, thus reducing~~ amidst the ~~budget impact~~pressures of ~~supporting new project development. Outside of recent~~rising market costs. While utility-scale wind procurements~~, most procurements have resulted in targeted~~ across 2023 and early 2024 did not meet target quantities, starting with the Fall 2024 procurement ~~quantities being~~, the quantity of RECs procured from utility-scale wind projects has drastically increased. Additionally, utility-scale solar procurement quantities were met~~.~~ (and often exceeded, through selection of the full marginal bid) through each competitive procurement event conducted under authority of the 2024 Long-Term Plan. However, the attrition rate for projects awarded REC delivery contracts through ~~past competitive procurements has been~~the 2017-2019 Forward Procurements

was suboptimal: 32% attrition~~,~~ (measured in RECs), as compared to attrition of less than 2% aggregated across all Illinois Shines categories.

5.4 ~~The~~ Indexed REC Procurements Since the Enactment of P.A. 102-0662

Following the enactment of P.A. 102-0662, the Agency ~~is~~was hopeful that ~~the Indexed REC structure, labor requirements, equity~~ new provisions~~, and other elements of the competitive procurement process enacted through P.A. 102-0662 will~~[300] in the IPA Act would reduce ~~that~~the attrition rate ~~further~~ by reducing development risk and ~~ensure that prices remain low by reducing~~increasing transparency around the workforce and equity standards. Further, the Agency expected that these provisions would reduce risk premiums built into bids, ~~while also achieving important qualitative objectives by supporting~~support a diverse, inclusive, equitable, and fairly compensated workforce~~.~~, increase competition, and ultimately result in lower project costs and bid prices. As the first procurements conducted after P.A. 102-0662's passage occurred in 2022~~, it is~~ and projects generally take a few years to come online, the Agency is still ~~too early to draw conclusions about~~evaluating the Indexed REC ~~procurement~~ structure's impact on project attrition rates. To date, the attrition rate for RECs from projects procured through Indexed REC procurements is 10.5%.

~~5.1. Requirements enacted through P.A. 102-0662~~

~~The~~Additionally, the increased RPS goals, procurement targets, and funding associated with Public Act 102-0662 expanded the Agency's procurement of RECs from new utility-scale wind, new utility-scale solar, and new brownfield-site photovoltaic projects. The IPA's REC procurement targets increase ratably to reach 45 million RECs delivered annually from new wind and new solar projects by the end of the 2030 delivery year.[301] As discussed in Chapter 3, the 45 million REC target is first reduced subject to the quantity of RECs contracted for through the Self-direct Program. Of that amount, 45% is targeted to be met through RECs from new wind projects, while 55% is targeted to be met through RECs from new photovoltaic projects. Then, of the amount to be procured from new photovoltaic projects, 50% is to be procured through the Illinois Shines Program, 47% from utility-scale solar projects, and 3% ~~has to come from brownfield site photovoltaic projects.~~[302]from brownfield site photovoltaic projects.[303] Through changes under Public Act 103-1066, effective February 20, 2025, the Agency may now use this planning process to adjust those percentages "as necessary based on developer interest, market conditions, budget considerations, resource adequacy needs, or other factors."[304]

P.A. 102-0662 added Section 1-75(c)(1)(G)(iii) of the Act, which directed the Agency to conduct "at least one subsequent forward procurement for renewable energy credits from new utility-scale wind projects, new utility-scale solar projects, and new brownfield site photovoltaic projects within 240 days after the effective date" of P.A. 102-0662 to meet the first delivery year's 10 million REC target. To ratably increase REC procurement quantities to reach 45 million RECs delivered annually by 2030,

[300] Such provisions include an Indexed REC structure that calculates REC pricing in the Agency's competitive procurements by subtracting the bidders' strike price from the prevailing market electricity price at the applicable Illinois trading hub; and enhanced labor standards, such as project labor agreement requirements, prevailing wage requirements, and an equity accountability system that mandates minimum equity standards applicable to the workforce of an entity participating in the IPA's competitive procurements.

[301] 20 ILCS 3855/1-75(c)(1)(C)(i).

[302] ~~Id.~~

[303] Id.

[304] Id.

the 2022 Long-Term Plan proposed annual procurement quantity targets for utility-scale solar, utility-scale wind, and brownfield site photovoltaic projects built toward meeting that goal.

~~That~~The first utility-scale procurement event after P.A. 102-0662's passage occurred in the Spring of 2022~~ with~~. The Agency subsequently conducted utility-scale procurement events in the Fall of 2022, Summer of 2023, Fall of 2023. The results each of these procurements events are reflected in Table 5-2 below.

Further, as discussed in Section 5.6 below, the Agency conducted utility-scale procurement events in Summer of 2024, Fall of 2024, and Summer of 2025.[305] Each of these procurement events had target quantities of 2.~~5~~7 million annually delivered RECs from utility-scale wind projects~~, 2 million annually delivered RECs from utility-scale solar~~ and hydropower projects, ~~and 125~~666,666 annually delivered RECs from utility-scale solar projects, and 74,000 annually delivered RECs from brownfield site photovoltaic projects. ~~The Agency conducted a second utility-scale procurement event in the Fall of 2022 with target quantities of 1.75 million annually delivered RECs from utility-scale wind projects, 1 million annually delivered RECs from utility-scale solar projects, and 65,000 annually delivered RECs from brownfield site photovoltaic projects. The Agency conducted a third utility-scale procurement event in the Summer of 2023 with target quantities of 1.75 million annually delivered RECs from utility-scale wind projects, 1.1 million annually delivered RECs from utility-scale solar projects, and 65,000 annually delivered RECs from brownfield site photovoltaic projects.~~The results each of these procurements events are reflected in Table 5-2 below.

~~The procured RECs from each of these three procurements events are reflected in Table 5-2 below.~~ While procurement quantities were established to ratably reach target procurement quantities by 2030, actual RECs under contract for utility-scale wind and hydropower projects and brownfield site photovoltaic projects have fallen short of target quantities.[306]

[305] The Agency's Summer of 2024, Fall of 2024, Summer of 2025, and Fall of 2025 Indexed REC procurement events under the authority of the 2024 Long-Term Plan.

[306] The procurement process for Indexed RECs allows for, in certain cases, the full quantity of RECs bid from the last selected project to be accepted even if that would exceed the procurement target. As a result, for several procurements the solar target was exceeded.

Table 5-2: ~~Aggregate~~ Results from Post-P.A. 102-0662 Competitive Procurement Events for RECs from Utility-Scale Wind, Utility-Scale Solar, and Brownfield Site Photovoltaic Projects[307] [308] [309]

Year	Procurement	Technology	Procured Megawatts (MW)	Procured ~~Annual~~ REC Quantity	~~Number~~ No. of Projects
2022	Spring	Utility-Scale Wind	200	-	1
	Spring	Utility-Scale Solar	493.9	-	4
	Spring	Brownfield Site Photovoltaic	4.95	-	1
	Fall	Utility-Scale Wind	0	-	0
	Fall	Utility-Scale Solar	435.8	-	7
	Fall	Brownfield Site Photovoltaic	28.1	-	4
2022		**Total**	**1,162.75**	**2,237,000 – 2,570,000**	**17**
2023	Summer	Utility-Scale Wind	0	-	0
	Summer	Utility-Scale Solar	538.5	-	7
	Summer	Brownfield Site Photovoltaic	39.25	-	3
	Fall	Utility-Scale Wind	500	-	2
	Fall	Utility-Scale Solar	569.75	-	7
	Fall	Brownfield Site Photovoltaic	20	-	1
~~Utility-scale Wind 2023~~		**Total**	**1,667.50**	~~1,200~~**2,985,000** ~~- 1,400~~ **– 3,420,000**~~[A]~~	~~700~~**20**
2024	Summer	Utility-Scale Wind + Hydro	200	358,517	1
	Summer	Utility-~~scale~~Scale Solar	373.4~~,142,523~~	~~1,763~~858,219	~~24~~6
	Summer	Brownfield Site Photovoltaic	~~163,614~~0	~~92~~0	~~9~~0
	Fall	Utility-Scale Wind + Hydro	750	2,497,799	2
	Fall	Utility-Scale Solar	450	963,000	3
	Fall	Brownfield Site Photovoltaic	0	0	0
2024		**Total**	**1,773.40**	**4,677,535**	**12**
2025	Summer	Utility-Scale Wind + Hydro	~~[A] *As discussed in footnote 252, quantities are not released when there are two or fewer*~~	2,280,606	4

[307] This table lists RECs procured from competitive procurement events conducted during 2022-2025. Awarded contracts associated with one wind project (460,000 RECs, 200 MW) from Spring 2022, three solar projects (908,668 RECs, 474 MW) from Spring 2022, and one brownfield site photovoltaic project (6,700 RECs, 3.9 MW) from Fall 2022 have since been terminated.

[308] Data provided is inclusive of all procurement results – including projects that may be energized, under construction, and those that may not be cancelled.

[309] Procured REC Quantities for 2022 and 2023 have not been released publicly through post-procurement results communication. The values provided for both 2022 and 2023 are aggregated and summarized to maintain confidentiality. Procured REC Quantities for 2024 and 2025 have been released publicly through post-procurement results and are summarily provided in this table.

			~~winning bidders. The Agency is instead providing a range of RECs for utility-scale wind. The Agency will change this policy going forward as discussed in Section 5.9.~~1276.5		
	Summer	Utility-Scale Solar	429	901,805	4
	Summer	Brownfield Site Photovoltaic	24.99	45,729	2
2025		**Total**	**1,730.49**	**3,228,140**	**10**
		Grand total	**6,334.14**	**13,127,675 – 13,895,675**	**59**

~~As discussed in Section 5.6 below, the Agency held another utility-scale procurement event in the Fall of 2023 with target quantities of 5.6 million annually delivered RECs from utility-scale wind projects, 1.1 million annually delivered RECs from utility-scale solar projects, and 127,000 annually delivered RECs from brownfield site photovoltaic projects. That procurement was conducted under authority from the 2022 Long-Term Plan.~~

This ~~2024~~2026 Long-Term Plan focuses on competitive procurements to be conducted during the ~~2024~~2026 and ~~2025~~2027 delivery years to meet target REC procurement quantities. As the target REC procurement quantities derived through Section 1-75(c)(1)(C) of the Act are minimums and are accompanied by text stating that "if forecasted expenses are less than the maximum budget available . . . the Agency shall continue to procure new renewable energy credits until that budget is exhausted,"[310] procurement quantities may not always mirror statutory target minimums. Additionally, as the procurement of RECs from new projects should be scaled "such that the goals in subparagraph (B) of this paragraph (1) are met entirely by procurements of renewable energy credits from new wind and photovoltaic projects," higher procurement quantities may be necessary as load growth increases the retail electricity sales denominator used in Section 1-75(c)(1)(B)'s percentage-based RPS calculations.

~~5.3.1~~5.4.1 RPS Budgets

As described in Chapter 3, the Agency's procurement of RECs is subject to budgetary limitations determined by Section 1-75(c)(1)(E) of the IPA Act's rate impact cap~~. That cap that limits the annual average net increase paid per kilowatt-hour by eligible customers, thus providing a maximum RPS budget once multiplied by the prior year's retail electricity sales.~~ and recently supplemented by the enactment of P.A. 103-1066, which ensures the "prompt and uninterrupted payment of existing

[310] 20 ILCS 3855/1-75(c)(1)(C)(ii).

contractual obligation" even if the rate impact cap in subparagraph (E) would need to be exceeded. P.A. 103-1066 provided further clarity and payment certainty to contracted developers by directing utilities to compensate all developers under contract, even in the event of an exhausted budget.

Prior to the enactment of P.A. 103-1066, the Agency's tool for managing the RPS budget cap was to freeze procurements upon utilization of 95% of the budget. Following the enactment of P.A. 103-1066, the Agency now will freeze procurements when facing "an insufficient collection of funds to pay amounts due to seller under existing contracts" for a particular year.[311] Under this revised statutory regime, only competitive procurement events would be frozen; the programs outlined in Chapters 7 and 8 would continue to award contracts through the end of the program year.

Increased funding for REC procurements brought about by statutory changes in P.A. 102-0662, including ~~the~~an increase in the rate cap ~~from 2.015% of 2007 rates to 4.25% of 2009 rates as well as~~and modifications to Section 16-108(k) of the ~~PUA's accounting provisions that allow funds to be used over longer periods and shield funding~~PUA allowing collections to be held from reconciliation calculations if associated with contractual obligations ~~from reconciliation~~, have dramatically impacted RPS budgets. Annual collections used to support the RPS ~~now exceed $580~~are projected to be $575 million ~~(up from what had been ~$230 million before the passage of P.A. 102-0662), and~~in 2026-2027, grow to over $1 billion by 2036-2037 due to load growth, and may continue to climb as retail electricity sales are expected to increase. At the same time, the ability to roll collected funds forward into future years ensures that every dollar is leveraged to support REC procurements. This scale and flexibility are vital given the aggressiveness of Section 1-75(c)(1)(B)'s 40% by 2030 and 50% by 2040 goals.

However, actual RPS budget impacts resulting from competitive procurements are unknowable given Section 1-75(c)(1)(G)(v)'s Indexed REC approach. Wholesale energy prices ~~now~~in part dictate RPS budget impacts resulting from Indexed REC delivery contracts: when wholesale energy prices are low, Indexed REC prices are high. When wholesale energy prices are high, Indexed REC prices are low, and potentially even negative. This variability in REC prices is not the case for prior-executed fixed-price REC delivery contracts, through which budget impacts would only vary based on changes in actual delivery volumes.

Pinning REC prices (and thus RPS budget impacts) to wholesale energy prices may have seemed less consequential to RPS budget management in 2021 when P.A. 102-0662 was being negotiated, as wholesale prices had been fairly stable over the prior decade. ~~However, across~~Across the Spring of 2022, however, prices surged~~. Day-ahead prices for the MISO Illinois hub rose to over $200/MWh in May 2022 after having traded at closer to $50/MWh just months earlier. Forward energy prices from IPA block energy procurements for two years into the future from IPA procurements conducted in the Spring of 2022 featured prices well over $100/MWh for block energy across summer months. Wholesale prices have settled down to more normal levels in recent months, but this~~, and price volatility ~~underscored~~continues to date—underscoring the uncertainty of future energy market outcomes— and future Indexed REC delivery contract budget impacts.

For estimating these impacts, Section 1-75(c)(1)(G)(v)(3) of the IPA Act requires utilization of "an industry-standard, third-party forward price curve" containing "a specific value of the forecasted market price of electricity for each annual delivery year of the contract." Theoretically, RPS budget

[311] 20 ILCS 3855/1-75(c)(1)(E-5).

impacts are projected by looking at the bigger picture across a longer term. But even these forward price curves—which forecast prices decades into the future—are subject to similar volatility.[312] These are also merely estimates of budget impacts; whether the RPS budget may exceed these estimates is a function of actual prices rather than estimated costs. Forward price curves used to estimate future wholesale prices now show lower prices in the year ahead than curves pulled 1-3 years earlier, thus meaning that anticipated RPS budget impacts from Indexed REC contracts are now greater than shown through prior projections.

The IPA conducted its first Indexed REC procurement event in the Spring of 2022, and results fell far short of targeted quantities. This was surprising to Agency staff. The IPA had believed that the Indexed REC structure—under which developers benefit from the certainty of payment at a bid Strike Price between REC revenues and wholesale energy revenues—would be the key to unlocking widespread utility-scale renewable energy project development in Illinois. Since this first Indexed REC procurement event, the Agency has held numerous meetings, conducted stakeholder comment processes, and worked with its Procurement Administrator to survey utility-scale developers who have not chosen to participate in IPA Indexed REC procurements. The most commonly cited barrier is concern over utility non-performance (non-payment) due to unavailable funds given potential RPS budget uncertainty, an issue which the Agency believes was addressed through Public Act 103-1066.[313]

~~Potentially exacerbating this concern is the rigidity of bid prices. For now, the picture is not entirely negative. The IPA's Fall 2022, Summer 2023, and Fall 2023 Indexed REC procurement events (three out of four conducted to date) met target quantities for both utility-scale solar projects, while brownfield site photovoltaic projects targets were met in the Fall 2022 and Summer 2023 procurement events (two out of four conducted to date). Solar developers appear to be comfortable enough with existing budget uncertainty to successfully participate in Indexed REC procurement events, but successful bids may feature premiums accounting for downstream payment risk. Wind is a different story: as discussed below, while the Fall 2023 procurement event had two projects selected, neither the Fall 2022 nor the Summer 2023 utility-scale procurement events featured a winning utility-scale wind project bid—also signaling that perhaps the statutorily mandated 55%/45% balance between photovoltaic projects and wind projects found in Section 1-75(c)(1)(C)(i) of the IPA Act should be subject to ongoing administrative adjustments based on market interest.[314]~~

~~For this Long-Term Plan,~~P.A. 103-1066 amended the IPA Act to alleviate concern of utility non-performance so that Buyers under existing Indexed REC contracts meet their contractual obligation to pay Sellers for delivered RECs. Specifically, P.A. 103-1066 amended Section 1-75(c)(1)(E) of the

[312] Section 3.4.9 discussed how in 2023 alone, futures prices for ComEd On-Peak power five years into the future, August 2028, have swung ~~by over $20/MWh.~~aggressively. As a result, not ~~just~~only are prices likely to change from forecasted prices to the actual prices used for settlement of Indexed REC prices, but budgeting based on forward prices is subject to the timing of when the budget analysis is conducted. Further details are provided in the IPA's Updated RPS Budget Forecast that was released in May 2025: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/rpsbudgetupdate51225.pdf.

[313] Demonstrating this uncertainty, the IPA released an RPS budget update in April 2023 which outlined 10 different scenarios of future REC and energy prices. This update demonstrated that even minor changes to assumptions about future REC or energy prices can have outsized impacts on whether the RPS budget operates at a surplus or a deficit. That update can be found here: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/rps-budget-update-14-april-2023-2pm.pdf. ~~The~~ The Agency now endeavors to release new RPS budget updates quarterly. This information can be found on the "RPS Budget Forecasts" page of the IPA's website: https://ipa.illinois.gov/renewable-resources/rps-budget-forecasts.html.

[314] ~~Section 1-75(c)(1)(C)(i) states that this split should be followed "to the extent possible."~~

IPA Act to provide that Sellers shall be entitled to full, prompt, and uninterrupted payment under the applicable contract and all costs incurred under such contracts shall be fully recoverable by the electric utility—even in the case of collections needing to exceed the statutory rate impact cap.[315]

P.A. 103-1066 also provided a process for the Agency to evaluate procurement targets and RPS budget constraints on a regular basis and to cease future procurements if existing contractual obligations are reasonably expected to exceed the maximum collection authorized for the applicable delivery year. Section 1-75(c)(1)(E-5)[316] of the IPA Act now provides that, if for a particular delivery year, the limit on the amount of renewable energy resources to be procured would result in an insufficient collection of funds to fully pay Sellers under existing contracts executed under Sections 1-75 or 1-56 of the IPA Act, to ensure full and uninterrupted payment is made to such Sellers:

i. If the utility has retained unspent funds, then the utility shall use those funds to remit full payment to the Sellers to ensure prompt and uninterrupted payment of existing contractual obligations.
ii. If the unspent funds are insufficient to satisfy all existing contractual obligations, then the utility shall remit full payment to the Sellers to ensure prompt and uninterrupted payment of existing contractual obligations, provided that the full costs shall be recoverable by the utility.
iii. The Agency shall promptly notify the Commission that existing contractual obligations are reasonably expected to exceed the maximum collection authorized for the applicable delivery year. The Agency shall also explain and confirm how the operation of items (i) and (ii) ensures that the utility will continue to make prompt and uninterrupted payment under existing contractual obligations. The Agency shall file a notice in the Commission docket approving the Agency's operative Long-Term Plan that includes the applicable delivery year.
iv. The contract shall provide that, so long as at least one of: (i) the cost recovery mechanisms referenced in Section 16-108(k) and Section 16-111.5(l) of the Public Utilities Act remains in full force without limitation or (ii) the utility is otherwise authorized and or entitled to full, prompt, and uninterrupted recovery of its costs through any other mechanism, then such Seller shall be entitled to full, prompt, and uninterrupted payment under the applicable contract notwithstanding the application of subparagraph (E).

The Agency is hopeful that these recent statutory changes provide Sellers under awarded Indexed REC contracts with assurance that Buyers will have cost recovery certainty for fulfilling existing contractual obligations.

For this Long-Term Plan, potential RPS budgets ~~should not serve to~~ deficits may constrain procurement quantities ~~below statutory procurement targets~~ for the present planning period. ~~As~~ As discussed in Chapter 3 and outlined in ~~Chapter 3, which discusses RPS budgets in further detail, and in~~ Appendix B, absent further statutory changes, projected RPS budget ~~concerns only~~deficits will almost certainly present challenges ~~through multiple~~for awarding additional REC delivery contracts in future years ~~of contracts being issued across the many years ahead. The necessary structural fix is decoupling a Seller's payment certainty from RPS budget risks, which would likely require statutory~~

[315] 20 ILCS 3855/1-75(c)(1)(E).

[316] 20 ILCS 3855/1-75(c)(1)(E-5).

~~changes. The Agency did not receive comments on this Plan that describes how the IPA or ICC's administrative authority could help solve for non-payment risks.~~.

~~5.3.2~~5.4.2 Brownfield Site Photovoltaic Project Procurements

P.A. 102-0662 increased the preceding goals established for the procurement of RECs from photovoltaic projects located at brownfield sites—both by increasing the minimum amount (from 2% of the solar procurement target to 3%) and increased the overall solar target (to 55% of 45 million RECs by 2030 from the previous 50% target).

Under the definition contained in Section 1-10 of the IPA Act, brownfield sites are those sites which are regulated under the U.S. EPA's Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Corrective Action Program of the Resource Conservation and Recovery Act; the Illinois EPA's Illinois Site Remediation Program; or the Illinois EPA's Illinois Solid Waste Program; or is the site of a former coal mine that has met all state and federal remediation and clean-up requirements.

While the Indexed REC procurement structure is a requirement for utility-scale solar and utility-scale wind projects, Section 1-75(c)(1)(C)(i) of the Act specifies that the Agency shall "consider other approaches, in addition to competitive procurements, that can be used to procure renewable energy credits from brownfield site photovoltaic projects and thereby help return blighted or contaminated land to productive use while enhancing public health and the well-being of Illinois residents, including those in environmental justice communities." ~~The~~As described in Section 5.4, the Agency has conducted ~~four~~seven competitive procurement events since Spring 2022, each of which have sought to procure Indexed RECs from utility-scale wind,[317] utility-scale solar, and brownfield site photovoltaic projects. ~~As these~~While two brownfield site photovoltaic projects' bids were selected in the Summer 2025 Indexed REC procurement, overall, the Agency's procurement events have not featured sufficient participation to meet target REC procurement quantities for brownfield site photovoltaic projects~~, the Agency believes that utilizing a different approach (something other than a competitive procurement event) is not necessary~~.

Results from these procurement events and the Agency's request for stakeholder feedback on proposed approaches to ~~support continued~~meet target REC procurement quantities for brownfield site photovoltaic ~~project development.~~projects are discussed in Section 5.5.2 below.

~~5.3.3~~5.4.3 Labor, Diversity, and Equity Requirements

Section 1-75(c)(1)(Q)(1) of the IPA Act provides that all new utility-scale wind, utility-scale solar, brownfield site photovoltaic projects, and all new, modernized, or retooled hydropower facilities (Hydropower Facilities are discussed in Section ~~5.5.4 below)~~5.5.4 below) are subject to prevailing wage requirements included in the Prevailing Wage Act. Additionally, under Section 1-75(c)(1)(Q)(2), RECs procured from new utility-scale wind, new utility-scale solar, and new brownfield solar projects after the effective date of P.A. 102-0662 (September 15, 2021) must be from facilities that were built under a project labor agreement.[318]

[317] Since the Summer 2024 Indexed REC RFP, the wind procurement targets have included procurement of RECs from new hydropower projects at an existing dam or modernized or retooled hydropower projects at an existing dam.

[318] 20 ILCS 3855/1-75(c)(1)(Q)(2).

Projects participating in competitive procurements will be required to provide documentation that all employees, contractors, and subcontractors engaged in construction and maintenance of the facility received at least the local prevailing wage rate for the applicable labor classification as set by the Illinois Department of Labor ("IDOL"). All new utility-scale wind, utility scale solar, brownfield site photovoltaic projects, and all new, modernized, or retooled hydropower facilities participating in a competitive procurement of the IPA are considered "public works" under the Prevailing Wage Act and are thus subject to all notice and reporting requirements therein.[319] Bids must commit to include payment of prevailing wage in all contracts and subcontracts for construction and maintenance related to the facility. All accepted bidders will be subject to reporting requirements throughout the life of the project as detailed in the Prevailing Wage Act.

As outlined in Chapter ~~4~~,4, projects located in adjacent states satisfying public interest criteria scoring may be eligible for the IPA's competitive procurements. As proposed by the IPA in Docket No. 22-0231 and affirmed by the Commission in its Order approving the Plan,[320] Section 1-75(c)(1)(Q)(1) also carries a qualitative eligibility requirement related to fair wages paid for labor on all renewable energy projects bidding into IPA procurements (enforced as a REC delivery contract term). Applicant projects located in adjacent states must demonstrate, at minimum, wage parity with the prevailing wage requirements in Illinois.

To achieve wage parity, if the project is located in a county in an adjacent state with published prevailing wages, that wage schedule shall be used as the applicable prevailing wage for Section 1-75(c)(1)(Q)(1) compliance. Should there be no governing prevailing wage schedule for that locality, the federal Davis-Bacon rates shall be used as the applicable prevailing wage for Section 1-75(c)(1)(Q)(1) compliance.[321]

In addition, Section 1-75(c)(1)(Q)(2) also provides that for REC procurements from new utility-scale wind, utility-scale solar, and brownfield site photovoltaic projects,[322] such projects must be "built by general contractors that must enter into a project labor agreement," as defined by the Project Labor Agreements Act, "prior to construction." Section 1-10 of the Act defines a project labor agreement as "a pre-hire collective bargaining agreement that covers all terms and conditions of employment on a specific construction project."

That project labor agreement must be filed with the Director of the IPA at least 60 days prior to the start of construction.[323] If construction of the project has already begun at the time of a competitive procurement, then the project labor agreement must be filed with the IPA prior to submitting a bid. Under Section 1-75(c)(1)(Q)(2), the project labor agreement must provide "the names, addresses, and occupations of the owner of the plant and the individuals representing the labor organization employees participating in the project labor agreement consistent with the Project Labor

[319] 820 ILCS 130/2.

[320] See Final Order at 6-7, ICC Docket No. 22-0231 (Jul. 14, 2022).

[321] For adjacent state projects, the applicant is still responsible for submitting a Certified Transcript of Payroll through the Illinois Department of Labor Prevailing Wage portal and to the IPA for all work performed on the eligible project. The IPA is responsible for ensuring wage parity compliance under REC delivery contract authority, with projects failing to demonstrate wage parity treated equivalently to Illinois-based projects failing to comply with the prevailing wage requirements of the Prevailing Wage Act.

[322] Section 1-75(c)(1)(Q)(2) of the IPA Act does not require hydropower facilities to enter into a project labor agreement for construction in order to be eligible for REC procurements.

[323] To improve the facilitation of the project labor agreement submission process, the Agency has enhanced its utility-scale procurement supplier portal to accept these documents, including supporting materials.

Agreements Act." Section 1-10 outlines specific additional elements required to be included in that agreement:

> (1) provisions establishing the minimum hourly wage for each class of labor organization employee;
>
> (2) provisions establishing the benefits and other compensation for each class of labor organization employee;
>
> (3) provisions establishing that no strike or disputes will be engaged in by the labor organization employees;
>
> (4) provisions establishing that no lockout or disputes will be engaged in by the general contractor building the project; and
>
> (5) provisions for minorities and women, as defined under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, setting forth goals for apprenticeship hours to be performed by minorities and women and setting forth goals for total hours to be performed by underrepresented minorities and women.

As a project labor agreement is a private agreement between a project developer and a labor organization entered into with both parties' acquiescence, and as the IPA Act does not direct the Agency to develop qualitative project labor agreement standards, the Agency does not believe that it generally can or should develop minimum project labor agreement terms for that agreement to satisfy Section 1-75(c)(1)(Q)(2)'s requirements. However, a labor organization and the general contractor building the project shall have the authority to include other terms and conditions as they deem necessary.

One exception regarding developing minimum project labor agreement terms concerns "provisions for minorities and women, as defined under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act." As proposed by the IPA in Docket No. 22-0231 and affirmed by the Commission in approving the Agency's 2022 Plan, project labor agreement submittals must also include a description of the actual efforts the entity will take or has taken to achieve "goals for apprenticeship hours to be performed by minorities and women and ~~[ ]~~goals for total hours to be performed by underrepresented minorities and women."[324] Setting goals is an important step toward progress, but without the ability to review whether robust efforts are being made to recruit more minorities and women into apprenticeships or training programs, the Agency has no insight into industry trends, challenges in meeting those goals, or other important signals related to the Agency's expanded role in monitoring and improving equity in the clean energy sector.[325]

The IPA Act requires the Agency to "encourage participating projects to use a diverse and equitable workforce and a diverse set of contractors." Under subparagraph (P) of Section 1-75(c)(1), the Agency must optimize the procurement of RECs from utility-scale projects located in communities eligible to receive Energy Transition Community Grants. To "optimize" procurement from those areas, bids received by the Agency through competitive procurements for proposed projects located in Energy Transition Community Grant communities will receive a downward price adjustment of 10% of the lowest bid received for use in ranking bids received, thus making those bids more

[324] Final Order at 7, ICC Docket No. 22-0231 (Jul. 14, 2022).

[325] Id.

competitive on the basis of price. For example, if the bidder of a project located in an Energy Transition Community Grant community submits a Strike Price of $65 and the lowest bid received is $50, then the Energy Transition Community Grant bidder would receive a downward price adjustment in its bid of $5 (10% of $50). The price adjusted bid of $60 would be evaluated against all other bids, and if selected, the Energy Transition Community Grant bidder would receive the initial bid price of $65. This price adjustment will provide an opportunity to "optimize" the procurement of Energy Transition Community Grants through a competitive process.

Section 1-75(c-10) established a Minimum Equity Standard ("MES") applicable to all REC programs and procurements authorized under Section 1-75(c) of the IPA Act (see ~~Section~~Chapter 10~~.1~~ of this Plan for a full explanation of the Agency's interpretation of the scope of the MES regarding IPA programs and procurements). Projects that receive an Indexed REC contract pursuant to a competitive procurement will be required to submit a Compliance Plan and Year-End Report per the rules set out in Chapter 10, including an initial Compliance Plan within 30 days of ICC approval of the REC contract and both for each year in which construction activities occur. For utility-scale solar and wind projects, and brownfield site projects, the MES only applies to construction of the project, in contrast to the Illinois Shines program where all project development activities (financing, sales, siting, etc.) are subject to the MES. Therefore, the initial Compliance Plan filed just after contract award should still only contemplate construction activities.

Entities must submit subsequent annual Compliance Plans by June 1 for each year in which construction occurs~~, however the~~. The MES level that was applicable at the time of initial contract award will apply ~~throughout~~across the life of the project (i.e., the MES level applicable to a single project will not change year over year). Year-end Reports demonstrating achievement of the MES must be submitted no more than 45 days after the end of the ~~Program~~Delivery Year. The utility-scale MES requirements that are applicable to construction activities shall include both project installation workforce and workforce in administrative, sales, marketing, and technical roles where those workers' duties are directly related to the construction of the project~~ subject to the following: persons~~. Persons working in administrative, sales, marketing, and technical roles shall be included in the "project workforce" only if their duties are related to the project and are performed in Illinois. The project installation workforce shall be included in the "project workforce" and must meet the MES regardless of location.

If the Agency determines that a supplier has failed to comply with the requisite MES, it will notify the entity in writing of a potential violation of the contractual obligations. The Agency may also request additional materials and information to determine whether Seller is in compliance with the terms of the contract. If the Agency has not received the requested materials within 21 days of the request, the Agency may render a finding of noncompliance. Requests for extensions will be considered on a case-by-case basis. Suppliers are also permitted to seek a waiver of the MES requirements in the event of noncompliance. Finally, beginning with the 2026 Summer Indexed REC Contract and continuing through all subsequent Indexed REC Contracts, if a supplier has failed to comply with the MES or obtain a waiver, the Agency may suspend a Seller from participation in future procurement events, or require the entity to implement a Corrective Action Plan in order to participate in future procurements. The processes governing notices of violations of MES requirements, waivers, and Corrective Action Plans are laid out in detail in Chapter 10.

Section 1-75(c-10)(3) directs the Agency to develop requirements for applications and include in its bid evaluation methodology preferences for bidders that utilize a higher percentage of equity eligible contractors and equity eligible persons. The Agency will require applications from bidders wishing to qualify for such preferences to commit to a specific target Equity Standard above the MES set by Section 1-75(c-10) (described in more detail in Chapter 10). Based on a review of the plan submitted by a bidder, the Agency shall identify bids that demonstrate commitment and efforts above and beyond minimum requirements and utilize a bid evaluation price adjustment that increases as the portion of contract value flowing to equity eligible persons or contractors increases above the MES. Bid evaluation price adjustments are then made on a sliding scale based on the equity eligible commitment above the minimum requirement. For example, if a bidder commits to using ~~equity eligible contractors~~Equity Eligible Contractors for 50% of the project's development in a year for which the MES is 10%, then that bid's price adjustment shall be based on the ratio of 50% to the 10% minimum (or 5 times the amount of the minimum equity commitment).

The IPA ~~will use~~currently uses a bid evaluation price adjustment for equity eligible commitments above the MES to be 1% of the lowest bid received times that ratio of the commitment to the ~~10%~~ minimum~~.~~ MES percentage requirement.[326] Like the adjustment for projects located in Energy Transition Community Grant areas, ~~this~~the bid evaluation price adjustment will only be utilized for bid evaluation, and will not impact the resulting contracted Strike Price. As this equity commitment impacts bid selection, any project selected as a result of making an equity commitment shall have that commitment included as a binding commitment in the resulting REC contract.

Table 5-3~~Table 5-3~~ demonstrates the bid evaluation price adjustments for equity eligible commitments and Energy Transition Community Grant bids. As discussed in Chapter ~~10~~10 of this Plan, entities awarded a REC contract through a competitive procurement will also be required to submit a Compliance Plan within 30 days of ICC approval of the bid. The Compliance Plan shall reflect the entity's plan to meet the minimum equity standard as laid out in their application. Chapter ~~10~~10 contains additional information on compliance plan requirements.

[326] As discussed in Chapter 10, the minimum MES percentage requirement is 14% for the 2025-2026 Delivery Year, 18% for the 2026-2027 Delivery Year, and 22% for the 2027-2028 Delivery Year

Table 5-3: Bid Evaluation Price Adjustments

Bids Ranked by Adjusted Bid Price						
Bidder	Bid Price	Grant Community	Grant Community Price Adjustment	Equity Eligible Commitment	Equity Eligible Price Adjustment	Adjusted Bid Price
C	$45.00	N	-	15%	$0.68	$44.33
A	$50.00	Y	$4.50	20%	$0.90	$44.60
D	$60.00	Y	$4.50	30%	$1.35	$54.15
B	$55.00	N	-	10%	-	$55.00
E	$58.00	N	-	40%	$1.80	$56.20
F	$70.00	Y	$4.50	75%	$3.38	$62.13

Note.
The Grant Community Price Adjustment is equal to 10% of the lowest Bid Price.
The Equity Eligible Contractor Minimum Commitments is 10%.
The Equity Eligible Price Adjustment is equal to reducing the bid price by the formula for bid evaluation purposes.

To date, projects selected through the IPA's competitive procurement have yet to take advantage of the bid evaluation price adjustment for equity eligible commitments above the minimum MES percentage requirement. Therefore, the Agency proposes to increase the bid evaluation price adjustment for equity eligible commitments above the MES to be 1.5% of the lowest bid received multiplied by the ratio of the commitment to the minimum MES percentage requirement. The Agency seeks stakeholder feedback on this proposal and welcomes additional proposals to increase utilization of the bid evaluation price adjustment for equity eligible commitments above the minimum MES percentage requirement.

Bids Ranked by Adjusted Bid Price						
Bidder	Bid Price	Grant Community	Grant Community Price Adjustment	Equity Eligible Commitment	Equity Eligible Price Adjustment	Adjusted Bid Price
C	$45.00	N	-	15%	$0.68	$44.33
A	$50.00	Y	$4.50	20%	$0.90	$44.60
D	$60.00	Y	$4.50	30%	$1.35	$54.15
B	$55.00	N	-	10%	-	$55.00
E	$58.00	N	-	40%	$1.80	$56.20
F	$70.00	Y	$4.50	75%	$3.38	$62.13

Note.
The Grant Community Price Adjustment is equal to 10% of the lowest Bid Price.
The Equity Eligible Contractor Minimum Commitments is 10%.
The Equity Eligible Price Adjustment is equal to (((Bidder EEC Commitment / 10%) 1%) * the lowest bid price).*

Finally, Section 1-75(c-20) directs the Agency to "collect demographic and geographic data for each entity awarded contracts under any Agency-administered program." Therefore, the Agency will conduct an annual survey of entities that have received an Indexed REC contract through an IPA-

administered competitive procurement, requesting demographic and geographic data regarding the workforce performing any construction, installation, or maintenance activities on the projects under those contracts. See Chapter ~~10~~10 for more detail regarding the collection of demographic and geographic information from the clean energy workforce.

~~5.3.4~~5.4.4 Indexed REC Pricing Requirements

Perhaps the most significant change to competitive procurements resultant from P.A. 102-0662 is the shift to an Indexed REC pricing structure. Section 1-75(c)(1)(G)(v) requires the Agency to procure " Indexed RECs" for all competitive REC procurements. Under an Indexed REC pricing structure, a project's REC price is determined based on the Strike Price submitted by the bidder participating in the procurement (with that Strike Price used for bid selection) and the differential between that Strike Price and wholesale market energy settlement prices, as outlined further below.[327]

Under Section 1-10 of the IPA Act, an Indexed REC is defined ~~"~~as "a tradable credit that represents the environmental attributes of one megawatt hour of energy produced from a renewable energy resource, the price of which shall be calculated by subtracting the Strike Price offered by a new utility-scale wind project or a new utility-scale photovoltaic project from the Index Price in a given settlement period."[328] The Strike Price is defined as the "contract price for energy and RECs from a new utility-scale wind project or a new utility-scale photovoltaic project."[329] The Index Price is defined as the "real-time energy settlement price at the applicable Illinois trading hub, such as PJM-NIHUB or MISO-IL, for a given settlement period."[330] The settlement period is the period of time utilized by MISO and PJM and their successor organizations as the basis for settlement calculations in the real-time energy market (RTM).[331]

Under this model, the IPA still evaluates competing bids on the basis of price—but on the basis of submitted Strike Price, rather than REC price. A single Strike Price is submitted by a bidder, and the resulting REC price for a settlement period is determined across the course of the contract as the difference between that bidder's Strike Price and the Index Price. As the Index Price will always be the same for all bidders, evaluating bids from lowest to highest on the basis of Strike Price is effectively the same evaluation as evaluating bids on the basis of REC price; the difference is simply that because the resulting REC price floats, the exact price (and resulting RPS budget impact) varies by settlement period.

From a bidder's standpoint, this Indexed REC approach offers clear advantages. Given the limited market for energy-alone off-take agreements in Illinois and the inability for the IPA to offer bundled Power Purchase Agreements, an Indexed REC price structure offers bidders the revenue certainty of a bundled contract without exposing default supply rates to potentially uneconomic hedges. From

[327] 20 ILCS 3855/1-75(c)(1)(G)(v).

[328] ~~20 ILCS 3855/1-10 (emphasis added).~~ 20 ILCS 3855/1-10 (emphasis added). Though the definition of "Indexed REC" in Section 1-10 of the IPA Act does not list hydropower as renewable energy resources producing RECs, as discussed in Section 5.5.4, with the passage of P.A. 103-0380, the IPA's competitive procurement processes may also be used to bring RECs under contract from newly modernized or retooled hydropower dams.

[329] 20 ILCS 3855/1-10. While the definition of Strike Price does not list hydropower or repowered wind projects, the use of a Strike Price in the IPA's competitive procurements also applies to contracts for RECs from newly modernized or retooled hydropower dams and repowered wind projects.

[330] ~~Id~~20 ILCS 3855/1-10.

[331] Id.

the standpoint of developing the most possible renewable energy at the lowest possible cost, this approach offers advantages back to the state of Illinois as well; if bidders receive full revenue certainty at the Strike Price amount, then risk premiums built into bids should be reduced relative to a fixed-price REC delivery contract, allowing for the development of more renewable energy generation at a lower RPS budget impact.

As required under Section 1-75(c)(1)(G)(v)(3) of the Act, contracts must have a "minimum tenure of 20 calendar years."

~~5.3.5~~5.4.5 Indexed REC Settlement

Under an Indexed REC delivery contract, an Indexed REC Price shall be calculated for each settlement period. The REC price applicable to a settlement period is determined by subtracting the Strike Price from the Index Price for that settlement period. As required under Section 1-75(c)(1)(G)(v)(1), if the difference is a negative number, the indexed REC counterparty (i.e., the public utility) shall owe the seller the absolute value multiplied by the quantity of energy produced during that settlement period. If this difference results in a positive number, the seller shall owe the indexed REC counterparty this amount multiplied by the quantity of energy produced in the relevant settlement period. The Indexed REC Price formula is illustrated below:

Indexed REC Price ~~=~~ = Index Price (RTM Settlement Price) – Strike Price (Contract Price)

Section 1-75(c)(1)(G)(v)(2) required that "[p]arties shall cash settle every month, summing up all settlements (both positive and negative, if applicable) for the prior month." As with the 2022 ~~Plan~~and 2024 Plans, this Plan includes an hourly settlement structure for each monthly settlement period.

The example below illustrates a monthly settlement for 2 scenarios—one in which money is owed to the seller, and the other in which money is owed to the Indexed REC Counterparty.

Scenario 1 – Cash Settlement to Seller

Index Price	=	$30/MWh		
Strike Price	=	$35/MWh		
Energy Generated	=	100 MWh		
Indexed REC Price	=	30 – 35	=	-$5/MWh
Money owed to Seller	=	||-5|| x 100	=	$500

Scenario 2 – Cash Settlement to Indexed REC Counterparty (Participating Public Utility)

Index Price	=	$40MWh		
Strike Price	=	$35/MWh		
Energy Generated	=	100 MWh		
Indexed REC Price	=	40 – 35	=	$5/MWh
Money owed to Buyer	=	5 x 100	=	$500

In Scenario 1, the difference between the Index Price and the Strike Price (i.e., the Indexed REC Price) is negative (-$5/MWh) and so the absolute value of the Indexed REC Price is multiplied by the quantity of energy produced in the relevant settlement period (100 MWh), and the resulting amount ($500) is paid to the seller. In Scenario 2, the Indexed REC Price is positive ($5/MWh), and the

resulting amount ($500) is paid to the Indexed REC Counterparty (the electric utility serving as the Buyer of RECs under an Indexed REC contract).

~~5.3.6~~5.4.6 Forward Price Curve

As discussed above regarding RPS budget implications of the Indexed REC structure, the Act requires that the annual cost of the contract be quantified utilizing an industry-standard, third-party forward price curve for energy at the appropriate hub or load zone.[332]

The Agency has developed a forward price curve using data from Argus and EOX and that forward price curve is used in the annual cost calculations contained in Chapter ~~3~~3 and Appendix B. The forward price curve contains a specific value of the forecasted market price of electricity for each annual delivery year of the contract. For procurement planning purposes, the impact on the annual budget for the cost of Indexed RECs for each delivery year will be determined as the expected annual contract expenditure for that year, equaling the difference between (i) the sum across all relevant contracts of the applicable Strike Price multiplied by the contract quantity and (ii) the sum across all relevant contracts of the forward price curve for the applicable load zone for that year, weighted by each technology's generation profile and multiplied by the contract quantity.

Given that the indexed price of electricity during the delivery year will not likely average to the forecasted market price of electricity for the delivery year, this calculation is simply for budget planning purposes only, and is not meant to establish an annual cost cap for utility REC purchases.

~~The~~Section 1-75(c)(1)(G)(v)(3) of the IPA Act requires that forward price curves be revised on an annual basis~~. Updated forward price curves were released~~ and filed with the Commission in the proceeding approving the Agency's ~~2024~~most recent Long-Term Plan~~ filing~~.[333] If the expected contract spend is higher or lower than the total quantity of contracts multiplied by the forward price curve value for that year, the forward price curve will be updated using then-currently available price forecast data, and the RPS budget projections will be adjusted accordingly.

~~5.3.7~~5.4.7 Consideration of a Price Collar

To manage future budget obligations resulting from competitive procurements, Section 1-75(c)(1)(G)(v)(4) states that the Agency may consider the institution of a price collar on REC prices paid under indexed renewable energy credit procurements establishing floor and ceiling REC prices applicable to Indexed REC contract prices. Any price collars utilized in competitive REC procurements "shall be proposed by the Agency through its long-term renewable resources procurement plan."

While price collars may provide slightly more budget stability through limiting the RPS budget's exposure to certain REC price outcomes, price collars also offer more risk back to bidders. Should Indexed REC prices rise to a level that would exceed a price collar, a Seller may then face risk of non-recovery at the Strike Price. As such, a price collar takes an expressed abstract concern around the condition of the RPS budget – specifically, that Indexed REC pricing volatility could leave the RPS budget compromised and provide non-payment risk back to a Seller – and turns that concern into an acute REC delivery contract-related concern.

[332] 20 ILCS 3855/1-75(c)(1)(G)(v)(3).

[333] ~~See Final Order at 6, ICC Docket No. 22-0231 (Jul. 14, 2022).~~ Id.

As it appears that a price collar offers more risk back to Sellers in a way that does not provide commensurate benefits back, no price collar is ~~included~~proposed in this ~~2024~~2026 Plan.

~~5.3.8~~5.4.8 Post-Award Contract Changes

The current structure for Indexed REC procurements calls for renewable energy project developers to bid a set Strike Price into the Indexed REC procurement generally at a date well before most project development steps have commenced. ~~If the developer's bid is selected, they must contractually commit to that price even if the market conditions, such as supply chains, component costs, interest rates, interconnection costs, interconnection delays, and other variables, change significantly between the when the contract is awarded and project energization, which can be as long as a several years. This dynamic stands in contrast to project development in a vertically integrated state, under which cost input changes result in commensurate changes in revenue back to the developer.~~

~~It has been brought to the Agency's attention that due to the recent~~ Due to continuing volatile market conditions, some projects that have been selected in Indexed REC procurements have seen the cost of development and construction increase substantially, making projects potentially uneconomic at the awarded Strike Price. Under this scenario, winning bidders may be left with the choice to either build an uneconomic project or to terminate the contract~~ and face a possible two-year suspension from Indexed REC procurement events.~~. A forced default due to changed economics leaves Illinois further behind on RPS progress, as capacity allocated to projects under eventually-defaulted contracts cannot be reallocated to future procurement events until the original project contracts are terminated.

~~One way to address this rigidity would be to allow post-award changes to contracts. Allowing post-award negotiation constitutes a fundamental shift away from processes historically utilized by the IPA and carries potentially significant downsides. Without strict parameters around which specific changed assumptions would warrant a downstream contract price adjustment, how those changed assumptions can be fairly demonstrated, and through what process, allowing post-award negotiation could damage the integrity of the initial competitive bidding process. Buyers under Indexed REC contracts (regulated utilities) need assurance that any increase in contract obligations would constitute a prudent expenditure. The IPA must continue to monitor and plan around RPS budget impacts resultant from Strike Price changes and should have a central role in determining whether price changes are warranted.~~

~~The IPA has determined that allowing post-award changes to contracts is an issue that is both necessary to address but is also too complicated to be included as part of this Plan.[334] Thus, no specific post-award contract changes were proposed by the IPA.~~

~~Instead, the Commission approved the Agency conducting workshops after this Plan is approved to further explore the issue of post-award~~In the 2024 Long-Term Plan, the Agency proposed a

~~[334] Other restructured states are facing this challenge of how to make projects financially viable for developers as states strive to meet renewable energy goals. For example, an October 12, 2023 New York Times article covered renewable energy developers in New York that attribute rising costs and disruptions in supply chains making competitively-bid contracts with the state of New York unfeasible unless the developers receive additional subsidies from the State's utility ratepayers to cover increased project costs: https://www.nytimes.com/2023/10/12/nyregion/wind-farm-subsidies.html?utm_medium=email. Also, an October 13, 2023 article from E&E News by Politico featured a story where renewable energy project developers cancelled supply contracts with utilities in Massachusetts, Connecticut, and New York due to rising project costs from inflation. The article highlighted that these cancelled contracts negatively impact timelines for renewable project development to meet state and federal climate targets: https://www.eenews.net/articles/pipe-dream-bidens-offshore-wind-plan-takes-a-hit/?utm_medium=email.~~

workshop process to explore allowing post-award changes to contracts to address this rigidity. In its Final Order approving the 2024 Long-Term Plan, the Commission approved the commencement of workshops by Agency to further explore the issue of post-award contract changes, with a goal that an Indexed REC post-award negotiation process may be finalized for inclusion in a compliance filing within one calendar year after this Plan's approval by the ICC.[335]

~~The Commission found that workshop discussions should not be limited, thus the workshops will explore processes utilized by other states for post award downstream price negotiation, and if warranted, the workshop process will also include a contract addendum available to be utilized by both existing Indexed REC contracts and future awards.~~

~~At minimum, these workshops will seek to provide resolution around the following topics:~~

- ~~Whether a requirement to meet force majeure provisions in order to be able to request a Strike Price renegotiation is warranted;~~
- ~~Any minimum cost increase threshold for a given input necessary to warrant renegotiation of price;~~
- ~~Whether a change in input costs can be established by third party data or analysis, Seller information, or both;~~
- ~~Which cost categories shall be considered for downstream price negotiation (including inflation, debt interest rates, interconnection costs, module costs, racking costs, and labor costs);~~
- ~~Whether minimum fees (or potentially increased collateral) shall be paid by Buyer in order to renegotiate the Strike Price;~~
- ~~Project development timeline parameters for triggering renegotiation;~~
- ~~Process and timeline for triggering renegotiation and providing an expedited determination back to Seller, including the role of the Buyer, IPA, and ICC (whose approval may be necessary for addressing prudency concerns) in that process.~~

~~In approving the workshop process proposed by the IPA, the Commission noted that its "authorization of the workshops on this [post-award contract changes] topic should not be construed as implying that the Commission is in favor of allowing post-award contract changes if the Agency, or any other party, proposes them in the next LTRRPP. . . . any proposed outcome must be consistent with the PUA and the IPA Act."[336]~~

The IPA held five workshops from July through December 2024 to address challenges stemming from recent volatile market conditions and changing project economics. Workshop attendees included Illinois electric utilities, Commission Staff, clean energy advocacy organizations, and renewable energy project developers. The Agency outlined the ideas and challenges it heard from stakeholders throughout the workshop process and issued a stakeholder feedback request on January 17, 2025.[337] In the request, the Agency proposed two optional mechanisms as a potential means to enhance the Indexed REC RFP process (described below). The Agency received comments from five

[335] Final Order, ICC Docket No. 23-0714 at 16 (Feb. 20, 2024).

~~[336] Final Order at 16, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[337] https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250117-ipa-draft-proposal-for-adjusting-the-indexed-rec-procurement-process_vf.pdf.

stakeholders.[338] The Agency incorporated stakeholder feedback into its compliance filing filed with the Illinois Commerce Commission On February 19, 2025.[339]

In the compliance filing, the Agency described two proposed, optional mechanisms which would become available for bidders beginning with the Summer 2025 Indexed REC procurement event.[340] The two optional mechanisms are 1) a one-time, post-award change to the annual REC delivery quantity ("Annual Quantity Adjustment Mechanism"), and 2) a one-time, post-award Inflation Adjustment Mechanism. The Agency and its Procurement Administrator provided a stakeholder feedback process from April through May 2025 so that stakeholders had the opportunity to publicly comment on the two proposed mechanisms, review and comment on the Summer 2025 Indexed REC contract, and learn the bidder qualification requirements. The Agency and its Procurement Monitor also hosted a stakeholder workshop on April 30, 2025 for stakeholders to ask questions and provide comments on the two new mechanisms and on other aspects of the Indexed REC contract and qualification requirements. The draft proposal documents, workshop presentation, and stakeholder comments are posted to the Procurement Administrator's website.[341]

As described in Article 2.6 of the Summer 2025 Indexed REC contract, a one-time, post-award Annual Quantity Adjustment Mechanism was introduced to provide Sellers with an optional, one-time opportunity to request a reduction of their REC delivery obligation.[342] Pursuant to the contract provisions, the request must be made prior to the start of the project's construction. Circumstances that permit for the one-time adjustment include: changes to the land area being considered for the project; interconnection cost increases; transmission upgrade or reconfiguration cost increases; changes in availability of the construction materials needed for the project; or changes that are deemed to be good cause by the IPA. Seller must provide evidence that there is at least a five percent reduction to the project's proposed nameplate capacity or generation output, and Seller's request is subject to approval by the IPA at its sole discretion.

Additionally, as detailed Article 2.7 and Exhibit G of the Summer 2025 Indexed REC contract, the optional one-time, post-award Inflation Adjustment Mechanism enables a bidder in the IPA's Indexed REC procurement to opt into a one-time bid price adjustment, which is capped at fifteen percent (15%) upward or downward, based on the rate of change in indices relevant to the component capital costs and interests rates applicable to the renewable energy technology used in Seller's project.[343] Sellers bidding into the Indexed REC procurement may opt-into the one-time Strike Price Adjustment Mechanism if (i) Seller elected for such adjustment during the bidding process by making an election in the Bid Form and (ii) the Adjustment Reference Date is after the date that is the last day of the sixth full calendar month after the Commission Bid Approval Date. Seller must provide written notice to Buyer and the IPA to inform of an expected Financial Closing Date ("FCD") or Notice to Proceed ("NTP") Issuance Date, along with supporting documentation reasonably satisfactory to the IPA, for the calculation of the adjusted Strike Price to be memorialized in an updated Product Order. Seller must elect whether the expected FCD or NTP Issuance Date must be used to set the Adjustment

[338] https://ipa.illinois.gov/renewable-resources/stakeholder-engagement/downstream-negotiation-for-indexed-rec-contracts/stakeholder-feedback-on-draft-proposal-for-adjusting-indexed-rec.html.

[339] https://www.icc.illinois.gov/docket/P2023-0714/documents/361565.

[340] Id.

[341] https://www.ipa-energyrfp.com/indexed-renewables/draft-documents/.

[342] See Article 2.6 of the Summer 2025 Indexed REC contract.

[343] See Article 2.7 and Exhibit G of the Summer 2025 Indexed REC contract.

Reference Date. Under Article 2.7 of Indexed REC contract, regardless of whether Seller elected for an inflation adjustment during the bid process, the project is ineligible for an adjustment to the Strike Price if (i) the Adjustment Reference Date occurs on or prior to the date that is the last day of the sixth full calendar month after the Commission Bid Approval Date; or (ii) it is determined by the IPA that the actual FCD or NTP Issuance Date, as applicable, have occurred on or prior to the date that is the fifteenth day after the last day of the sixth full calendar month after the Commission Bid Approval Date.

The IPA is optimistic that these modifications to the Indexed REC contract will build upon prior procurement and contract enhancements, support the Agency's ongoing efforts to improve competition within each procurement, and enable the successful development and energization of renewable projects that support of Illinois' RPS goals. Given the recency of these two post-award contract mechanisms, the Agency is interested in stakeholder feedback on how effectively these mechanisms reduce developer risk. The Agency also seeks feedback on whether additional adjustments to these mechanisms should be considered—such as, whether bids that opt-into using the one-time post-award inflation adjustment mechanism should be evaluated against bids that opt-out of using the inflation adjustment mechanism or whether each bid should be evaluated separately in the same procurement event. If bids are evaluated separately, the Agency seeks feedback on how it should determine the target (MW) procurement between the bids that opt-into using the inflation adjustment mechanism and bids that opt out.

The Agency also notes that, currently, bids that opt into using the inflation adjustment mechanism and bids that opt-out share a common procurement target. The Procurement Administrator develops a forecast factor and applies it to opt-in bids to allow for somewhat of an apples-to-apples comparison with opt-in bids. The forecast factor assumes the value of the Strike Price that would be in effect if the inflation adjustment were to occur within 30 months from the Bid Date. The forecast factor is announced to all bidders prior to the Bid Date, though comparing opt-in bids with opt-out bids presents challenges. The Agency would like feedback from stakeholders on whether opt-in and opt-out bids should be evaluated in the same procurement event or whether the Agency should conduct separate procurement events for bids that opt-in and for those that opt-out.

~~5.4~~5.5 Procurement Events

An assessment of what needs to be procured to meet Illinois' RPS targets starts with an assessment of RECs under contract, and specifically RECs under contract to meet new utility-scale wind and solar procurement requirements from prior procurement events.

Across competitive procurement events conducted to date, some projects have been developed, other projects are ~~pending final energization still, while others appear to never be~~under development, while some have not been successfully developed under REC delivery contacts (and thus would not be contributing RECs to meet RPS targets). From the forward procurements conducted between 2017 and 2019, four utility-scale wind projects, ~~nine~~eight utility-scale solar projects, and two brownfield site projects have begun delivery. ~~Four~~Six solar projects and two wind projects have been removed from the REC portfolio~~, and one solar project remains under development.~~ From the Indexed REC procurements conducted to date ~~across~~since 2022~~ and 2023, one~~, nine utility-scale wind ~~project, eighteen~~projects, thirty-five utility-scale solar projects, and ~~eight~~ten brownfield site photovoltaic projects are currently under development. One utility-scale

wind project, three utility-scale solar projects, and one brownfield site project have been removed from the REC portfolio.

~~Table 5-4~~Table 5-4 summarizes in aggregate the status of new[344] utility-scale wind projects, utility-scale solar projects, and brownfield site photovoltaic projects~~,~~ as of ~~April~~August 15, ~~2024~~2025. The quantities listed are the aggregated contracted amounts by expected annual REC deliveries. For planning purposes, the IPA assumes that projects for which extensions have been granted will be successfully developed.

Table 5-4: Utility-Scale REC Portfolio Status (Annual REC Volumes)[345]

Status	Solar	Wind	Brownfield	Total
Delivering RECs	1,881,298	2,065,519	54,331	**4,001,148**
~~Under Development~~	~~4,142,523~~	~~1,200,000-1,400,000~~	~~163,614~~	**~~5,506,137-5,706,137~~**
Total Expected RECs	6,023,821	3,265,519-3,465,519	217,945	**8,771,656-9,171,656**
Removed [1]	548,702	879,234	-	**1,427,936**

[1] *"Removed" indicates RECs that were procured in the 2017 and 2018 procurements but will not be delivered because of the projects failing to meet energization deadlines and thus have been removed from the RPS REC Portfolio.*

~~Based on this portfolio, additional~~

Status	Brownfield	Solar	Wind	Grand Total
Delivering RECs	54,331	1,891,298	2,065,519	**4,011,148**
Under Development	202,643	5,975,158	5,965,385	**12,143,186**
Total Expected RECs	256,974	7,866,456	8,030,904	**16,154,334**
Removed [1]	6,700	1,967,370	1,339,234	**3,313,304**

[1] "Removed" indicates RECs that were procured, but will not be delivered following a projects' failure to meet energization deadlines and have therefore been removed from the RPS REC Portfolio.

Additional procurement events will be required to ~~ensure that~~meet annual REC delivery targets under Section 1-75(c)(1)(C)~~'s new renewable energy project REC delivery targets are met.~~ of the IPA Act. The Agency will adjust competitive procurement quantities for future procurement events based on results from the ~~Fall 2023~~prior procurements and will allocate RECs from terminated contracts into future procurement~~.~~ events to more quickly meet Illinois' RPS goals.

~~5.4.1~~5.5.1 Utility-Scale Solar and Utility-Scale Wind

As outlined above, the Agency conducted a series of forward procurement events between 2017 and 2019 intended to support the development of new utility-scale wind and utility-scale solar projects~~,~~ and has subsequently ~~has~~ conducted ~~four~~seven Indexed REC procurements. Through these

[344] This does not include RECs from the 2010 LTPPAs, as those are not considered RECs from new projects.

[345] ~~As discussed above, the wind quantity under development is not divulged due to only one project having been selected.~~ Note, one utility-scale solar project that participated in the Fall 2018 Brownfield & Utility-Scale Solar RFP recently petitioned the ICC to have its REC delivery obligation reduced from 570,000 to 520,000. See ICC Docket No. 25-0212. This table reflects that adjustment.

procurement events, approximately 3 million annual deliveries of RECs from utility-scale solar and 3 million annual deliveries of RECs from utility-scale wind were placed under contract (after project attrition each of these quantities was reduced to approximately 2 million annual deliveries of RECs).

~~While wind constitutes 45% of the "45 million by 2030" RPS target found in Section 1-75(c)(1)(C) of the IPA Act, utility-scale wind appears to be the only viable means for cost-effectively developing new wind projects. As a consequence, while photovoltaics may be a larger (55%) portion of the whole, because only 47% of that photovoltaic target is to come from utility-scale solar projects, utility-scale solar constitutes a lower proportion of the minimum RPS quantities than utility-scale wind. Minimums are not maximums, however, and as the statute a) uses "at least" in referring to those targets and b) sets up proportions within the solar percentage as proportions of a minimum amount, the IPA believes that it can exceed necessary minimums for utility-scale solar RECs if so warranted.~~

~~The Agency has outlined procurement targets for new utility-scale wind projects that outpace those from new utility-scale solar targets given these larger statutory utility-scale wind targets. To increase the likelihood of targets being met, unallocated RECs may be rolled over into future procurement events to meet REC procurement targets. As discussed in Section 5.4 above,~~As discussed in Section 5.4 above, the Agency's first utility-scale competitive procurement event was held in the Spring of 2022 with an overall target procurement quantity of 4,625,000 RECs, with 2.5 million annually delivered RECs from new utility-scale wind projects and 2 million annually delivered RECs from new utility-scale solar projects. However, the procurement event failed to procure the target number of RECs and yielded between 400,000-500,000 annually delivered RECs from one utility-scale wind project and ~~948,091~~between 900,000-1,000,000 annually delivered RECs from four utility-scale solar projects.[346]

The second utility-scale procurement event was held in the Fall of 2022 with a goal to procure 1.75 million RECs to be delivered annually from new utility-scale wind projects and 1 million RECs to be delivered annually from new utility-scale solar projects. The event yielded no utility-scale wind and between 900,000-1,000,000 annually delivered RECs from seven utility-scale solar projects.[347]

The third utility-scale procurement event was held in the Summer of 2023 with a goal to procure 1.75 million RECs to be delivered annually from new utility-scale wind projects and 1.1 million RECs to be delivered annually from new utility-scale solar projects. The event yielded ~~no utility-scale wind and 943,430~~900,000-1,100,000 annually delivered RECs from seven utility-scale solar projects, and no wind projects were selected.[348]

The ~~third~~fourth utility-scale procurement event was held in the ~~Summer~~Fall of 2023 with a goal to procure ~~1.75~~5.6 million RECs to be delivered annually from new utility-scale wind projects and 1.1

[346] The results from the Spring 2022 Indexed REC Procurement Event can be found here: https://ipa-energyrfp.com/wp-content/uploads/2022/05/Spring-2022-Indexed-REC-RFP-Results-12-May-2022-posted.pdf.

[347] The results from the Fall 2022 Indexed REC Procurement Event can be found here: https://ipa-energyrfp.com/wp-content/uploads/2022/12/Fall-2022-Indexed-REC-RFP-Results-15-Dec-2022-posted.pdf.

[348] ~~The results from the Fall 2022 Indexed REC Procurement Event can be found here: https://ipa-energyrfp.com/wp-content/uploads/2022/12/Fall-2022-Indexed-REC-RFP-Results-15-Dec-2022-posted.pdf.~~ The results from the Summer 2023 Indexed REC Procurement Event can be found here: https://www.ipa-energyrfp.com/wp-content/uploads/2023/06/Summer-2023-Indexed-REC-RFP-Results-29-Jun-2023.pdf. This procurement also featured a change in the project selection protocol to allow for the rounding up of REC projects to accommodate the marginal project in certain cases. This allowed the procured quantity to exceed the target quantity, something that had not been allowed for prior procurement events (which often resulted in totals less than target quantities if the marginal bidder rejected resizing of its bid).

million RECs to be delivered annually from new utility-scale solar projects. ~~The event yielded 1,023,551 annually delivered RECs from seven utility-scale solar projects, and no wind projects were selected.~~[349]

~~The fourth utility-scale procurement event was held in the Fall of 2023 with a goal to procure 5.6 million RECs to be delivered annually from new utility-scale wind projects and 1.1 million RECs to be delivered annually from new utility-scale solar projects.~~ The event yielded 1,~~227,451~~200,000-1,300,000 annually delivered RECs from seven utility-scale solar projects and yielded between 800,000 and 900,000 annually delivered RECs from two utility-scale wind projects.[350]

~~The Agency has received anecdotal feedback that material costs, supply chain delays, increased labor costs, and land use and permitting issues have presented challenges for utility-scale wind developers. As discussed in Section 5.8 below, while benchmark establishment methodology and outputs remain confidential by law, the Agency will implement minor process changes to increase transparency to better enable REC procurements from utility-scale wind projects.~~

The fifth utility-scale procurement event was held in the Summer of 2024 with a goal to procure 2.7 million RECs to be delivered annually from new utility-scale wind projects, new hydropower projects at an existing dam, or modernized or retooled hydropower projects at an existing dam, and 666,666 RECs to be delivered annually from new utility-scale solar projects. The event yielded 858,219 annually delivered RECs from six utility-scale solar projects and yielded 358,517 annually delivered RECs from one utility-scale wind project.[351]

The sixth utility-scale procurement event was held in the Fall of 2024 with a goal to procure 5,041,483 RECs to be delivered annually from new utility-scale wind projects, new hydropower projects at an existing dam, or modernized or retooled hydropower projects at an existing dam, and 666,666 RECs to be delivered annually from new utility-scale solar projects. The event yielded 963,000 annually delivered RECs from three utility-scale solar projects and yielded 2,497,799 annually delivered RECs from two utility-scale wind projects.[352] Notably, the amount of utility-scale solar RECs procured at this event exceeded the target because the Indexed REC RFP rules allow for procurement above the target if the procurement of the marginal project's minimum REC quantity would not cause the total procurement in that category to exceed the target by more than 50 percent.

The seventh utility-scale procurement event was held in the Summer of 2025 with a goal to procure 5,243,684 RECs to be delivered annually from new utility-scale wind projects, new hydropower projects at an existing dam, or modernized or retooled hydropower projects at an existing dam, and 666,666 RECs to be delivered annually from new utility-scale solar projects. The event yielded 2,280,606 annually delivered RECs from 4 utility-scale wind projects, 833,741 annually delivered

~~[349] The results from the Summer 2023 Indexed REC Procurement Event can be found here: https://www.ipa-energyrfp.com/wp-content/uploads/2023/06/Summer-2023-Indexed-REC-RFP-Results-29-Jun-2023.pdf. This procurement also featured a change in the project selection protocol to allow for the rounding up of REC projects to accommodate the marginal project in certain cases. This allowed the procured quantity to exceed the target quantity, something that had not been allowed for prior procurement events (which often resulted in totals less than target quantities if the marginal bidder rejected resizing of its bid).~~

[350] The results from the Fall 2023 Indexed REC Procurement Event can be found here: https://www.ipa-energyrfp.com/wp-content/uploads/2023/12/Fall-2023-Indexed-REC-RFP-Results-14-Dec-2023.pdf. The quantity of wind RECs procured was not released because there were only two selected projects.

[351] The results from the Summer 2024 Indexed REC Procurement Event can be found here: https://www.ipa-energyrfp.com/wp-content/uploads/2024/07/Summer-2024-Indexed-REC-RFP-Results-24-Jul-2024.pdf.

[352] The results from the Fall 2024 Indexed REC Procurement Event can be found here: https://www.ipa-energyrfp.com/wp-content/uploads/2024/12/Fall-2024-Indexed-REC-RFP-Results-05-Dec-2024.pdf.

RECs from 4 utility-scale solar projects, and 45,729 annually delivered RECs from 2 brownfield site photovoltaic projects.[353]

P.A. 103-1066 amended Section 1-75(c)(1)(C) of the IPA Act by authorizing the IPA to propose adjustments through the Long-Term Plan to the percentage-based annual REC delivery targets. The Agency proposes the maintain the current percentage-based split and continue to procure 45% of annually delivered RECs from new and repowered wind and hydropower projects and 55% of annually delivered RECs from photovoltaic projects, but allow for unmet quantities from wind or solar to potentially be met with bids received from the other technology. As discussed in Section 5.6 below, the Agency also proposes to roll over unfulfilled REC procurement quantities to subsequent procurement events maximize the number of RECs procured in each competitive procurement event.

~~5.4.2~~5.5.2 Brownfield Site Photovoltaic

In the Initial Plan, the Agency proposed a procurement for RECs from brownfield site photovoltaic projects with a target of 80,000 RECs delivered annually. The procurement was initially held in the Fall of 2018 in conjunction with the Photovoltaic Forward Procurement and did not successfully procure any RECs. The Agency subsequently issued a request for comments from stakeholders to better understand barriers to a successful procurement and filed a motion for clarification with the ICC seeking authorization to conduct a second procurement. The Commission granted that motion on April 26, 2019.

The Agency made certain adjustments to the procurement guidelines (notably around acceptable age of documentation of eligibility) and conducted another procurement on July 26, 2019. On August 1, 2019, the Commission approved the results, which resulted in exceeding the at-that-time statutory target of 40,000 RECs delivered annually by 2020-~~2021~~21.

The first utility-scale procurement event after P.A. 102-0662's passage occurred in the Spring of 2022 had a target quantity of 125,000 annually delivered RECs from brownfield site photovoltaic projects and procured between ~~8~~7,000 and ~~9~~10,000 annually delivered RECs from one brownfield site photovoltaic project. The second utility-scale procurement event in the Fall of 2022 had a target quantity of 65,000 annually delivered RECs from brownfield site photovoltaic projects and procured ~~49,377~~30,000-60,000 annually delivered RECs from four brownfield site photovoltaic projects. The third utility-scale procurement event in the Summer of 2023 with a target quantity of 65,000 annually delivered RECs from brownfield site photovoltaic projects and procured ~~70,639~~55,000-80,000 annually delivered RECs from three brownfield site photovoltaic projects.[354] The Agency conducted a fourth utility-scale procurement event in the Fall of 2023 with a target quantity of 127,000 annually delivered RECs from brownfield site photovoltaic projects and procured between 30,000 and 40,000 annually delivered RECs from one brownfield site photovoltaic projects.[355]

~~The IPA will continue using a price-based competitive approach for the procurement of brownfield site photovoltaic project RECs. While~~The Agency conducted a fifth utility-scale procurement event in the Summer of 2024 with a target quantity of 74,000 annually delivered RECs from brownfield site

[353] The results from the Summer 2025 Indexed REC Procurement Event can be found here: https://www.ipa-energyrfp.com/wp-content/uploads/2025/08/Summer-2025-Indexed-REC-RFP-Results-07-Aug-2025-1.pdf.

[354] As discussed above for utility-scale solar, the selection of the marginal bid project allowed for procurement targets to be slightly exceeded for this procurement event; this was not the case for the preceding procurement events, however.

[355] The quantity of RECs was not released because there was only one selected project.

photovoltaic projects and conducted a sixth utility-scale procurement event in the Fall of 2024 with a target quantity of 148,000 annually delivered RECs from brownfield site photovoltaic projects. Neither event resulted in the procurement of RECs from brownfield site photovoltaic projects.

The Agency conducted a seventh utility-scale procurement event in the Summer of 2025 with a target quantity of 222,000 annually delivered RECs from brownfield site photovoltaic projects. Two brownfield site photovoltaic projects were selected and cumulatively will deliver approximately 45,720 RECs annually.

Under this 2026 Long-Term Plan, the Agency will conduct two brownfield site photovoltaic procurements annually for each of the next two delivery years, at quantities intended to keep pace with 2030 brownfield site photovoltaic targets.

Though brownfield site photovoltaic projects won Indexed REC contracts in the Agency's Summer 2025 procurement event, the IPA plans to work with other state agencies in an inter-agency effort to identify opportunities for brownfield sites that could potentially serve as sites for solar project development that would contribute to Illinois' RPS goals. The Agency also requests stakeholder feedback, especially from renewable energy project developers with experience building solar projects on brownfield sites, who may provide insight on market events or other factors that are barriers to brownfield site photovoltaic project development in Illinois and may be addressed through this Long-Term Plan.

Additionally, Section 1-75(c)(1)(C) requires that the Agency "consider other approaches, in addition to competitive procurements, that can be used to procure renewable energy credits from brownfield site photovoltaic projects,"[356] ~~proposing an alternative approach may not be warranted given success observed in recent procurement events. Should that success not persist, the Agency will determine whether an alternative procurement approach should be implemented as part of its next Plan. .~~"[357] Brownfield site photovoltaic projects tend to be smaller and interconnected with the distribution system, making them an awkward fit for the Indexed REC pricing structure (which uses an index proxy for wholesale market energy revenues to determine REC prices). However, a different approach – such as a standing offer at an administratively established price – may also be a poor fit given the greater uncertainty associated with brownfield site photovoltaic project development costs at the time of the project's application. This leaves the Agency with no obvious answer for facilitating additional brownfield site photovoltaic project development. Accordingly, the Agency seeks feedback on procurement approaches that may help ensure brownfield site photovoltaic project participation in the Agency's procurements, including whether brownfield site photovoltaic projects should be excluded from the Indexed REC procurement processes and RECs from brownfield site photovoltaic projects should be procured through other means.

~~Under this 2024 Plan, the Agency will conduct two brownfield site photovoltaic procurements annually for each of the next two delivery years, at quantities intended to keep pace with 2030 brownfield site photovoltaic targets.~~

~~356 20 ILCS 3855/1-75(c)(1)(C)(i).~~

357 20 ILCS 3855/1-75(c)(1)(C)(i).

~~5.4.3~~5.5.3 Non-Photovoltaic Community Renewable Generation

In the Initial Plan, the Agency proposed a Community Renewable Generation Program Forward Procurement (see Section 5.8.4 of the Initial Plan). This Community Renewable Generation Program Forward Procurement was intended to create an opportunity for non-photovoltaic community generation projects to be developed. That procurement was conducted in December 2019 and did not yield any selected bids. In Docket No. 19-0995 approving the First Revised Plan, no party sought for an additional community renewable generation procurement to be conducted.

Since that time, Section 1-75(c)(1)(N) of the IPA Act has been revised to no longer mandate a Community Renewable Generation Program. In its present form, subparagraph (N) now states that, through this Plan, the Agency "may consider whether community renewable generation projects utilizing technologies other than photovoltaics should be supported through State-administered incentive funding, and may issue requests for information to gauge market demand."

~~The Agency appreciates the potential opportunities for additional community renewable generation procurements to expand the range and diversity of renewable energy resources in Illinois. Though stakeholders' feedback received by the Agency while developing this Plan during the Summer of 2023 did not indicate an interest in non-photovoltaic community renewable generation projects participating in IPA procurements, recent legislative changes from P.A. 103-0380 (discussed below) provide that the Agency should consider procuring RECs from modernized or retooled hydropower facilities. The Agency will request information regarding the level of interested in non-photovoltaic community generation projects when drafting its next Long-Term Plan.[358]~~

The Agency sees value in expanding and diversifying non-photovoltaic community renewable energy project development in Illinois. At the same time, current RPS budgets may be insufficient to support the level of community solar project development initially envisioned through P.A. 102-0662's revisions to the IPA Act, thus calling into question whether supporting additional non-solar community renewable generation technologies should be a top priority. The Agency also acknowledges challenges faced by renewable energy project developers as changes are underway to the federal Investment Tax Credits at the time this 2026 Long-Term Plan is published. As "Community renewable generation projects" in Section 1-10 of the Act include wind, solar thermal, photovoltaic, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, and non-new hydropower,[359] given this range and diversity of potential projects, the Agency seeks stakeholder feedback on if it should consider procurements from non-photovoltaic community renewable projects through procurement events or other activities conducted pursuant to this Long-Term Plan.

~~5.4.4~~5.5.4 Hydropower Facilities

As discussed further in Section 5.6 below, Section 1-75(c)(1)(C) of the Act establishes a target of 45 million RECs delivered annually by the end of delivery year 2030 from new projects. Of these annually procured RECs, 45% were to come from wind projects and 55% were to come from photovoltaic projects. However, ~~recently enacted~~ P.A. 103-0380, effective January 1 2024, changed the 45% annual allocation for RECs from wind projects to distribute the 45% allocation to RECs procured from wind projects "and hydropower projects."

~~[358] Final Order at 19, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[359] Photovoltaic community renewable generation projects will participate in the Adjustable Block Program described in Chapter 7.

P.A. 103-0380 ~~was,~~ effective January 1, 2024 ~~and,~~ modified the IPA Act to authorize the Agency to procure RECs from newly modernized or retooled hydropower[360] dams or dams that have been converted to support hydropower generation.[361] "Modernized" or "retooled" means the construction, repair, maintenance, or significant expansion of turbines and *existing* hydropower dams.[362] REC procurements from hydropower projects are limited to hydropower facilities at existing dams and do not apply to new construction of dams. Mirroring language applicable to brownfield site photovoltaic projects, Section 1-75(c)(1)(C) now also states that the "Agency shall also consider other approaches, in addition to competitive procurements, to procure renewable energy credits from new and existing hydropower facilities to support the development and maintenance of these facilities."[363]

The Agency's REC procurements from hydropower projects must also prioritize projects located in or adjacent to designated environmental justice communities ("EJCs"), as defined in subsection (b) of Section 1-56 of the Act, or in projects located in units of local government with median incomes that do not exceed 82% of the median income of the State.[364]

~~Prior to drafting~~When developing the 2024 Plan, the Agency sought stakeholder feedback on the right approaches for distributing the 45% allocation of target REC procurement quantities between utility-scale wind projects and hydropower projects. Statutory language does not designate that a new procurement approach be taken to bring hydropower RECs under contract or create a new procurement goal specific to hydropower RECs. Instead, changes to Illinois law through P.A. 103-0380 provide only an eligibility change, changing goals for what had previously only been wind RECs to now include RECs from repowered or retooled hydropower projects as well.

Given the dearth of statutory guidance, the draft 2024 Plan outlined a series of possible approaches: to conduct simultaneous competitive REC procurements from utility-scale wind and hydropower projects with a single target quantity and accepting bids from either technology on the basis of Strike Price; develop separate bid applications, evaluation processes, and benchmarks for competitive REC procurements from utility-scale wind projects and hydropower projects given that the two resources use different energy generating technologies (which would require determining what share should be devoted to each technology in advance through establishing a target number of RECs from each technology or implementing a cap on the RECs procured from each technology); or "other approaches" for procuring RECs to support the modernization or retooling of hydropower projects.

~~In comments on the draft 2024 Plan, the~~The Agency received two comments ~~supporting~~on the draft 2024 Plan. The comments supported simultaneous competitive REC procurements from utility-scale wind and hydropower projects without a carveout for an annual number of RECs to be procured from hydropower projects. However, the Agency did not receive any comments on its 2024 Plan or through prior stakeholder comment processes from the hydropower industry about how best to bring RECs from repowered or retooled hydropower projects under contract. Given the lack of alternative proposals, the Agency simply changed eligibility requirements for its Indexed REC procurements to include repowered and retooled hydropower projects. As this approach provides

[360] P.A. 103-0380 included a definition for "Hydropower" that includes any method of electricity generation or storage that results from the flow of water, including impoundment facilities, diversion facilities, and pumped storage facilities. 20 ILCS 3855/1-10.

[361] 20 ILCS 3855/1-20(a)(2.15).

[362] 20 ILCS 3855/1-10.

[363] 20 ILCS 3855/1-75 (c)(1)(C)(i).

[364] Id.

for the simplest and most straightforward solution to ~~meeting the change in eligibility requirements resultant from P.A. 103-0380, this is the approach included in this Plan. However, as the Agency did not receive any comments on its draft Plan or through prior stakeholder comment processes from the hydropower industry about how best to bring RECs from repowered or retooled hydropower projects under contract, the Agency remains concerned that this approach may not be sufficient to support whatever hydropower repowering activity was envisioned through P.A. 103-0380's enactment. But absent an alternative proposal, the Agency believes that simply changing eligibility requirements for its upcoming Indexed REC procurements to include repowered and retooled hydropower projects is warranted.~~ implementing the change in eligibility requirements resultant from P.A. 103-0380, this was the approach included in the 2024 Plan.

~~For preference of bids from hydropower projects located~~Additionally, in ~~or adjacent to designated EJCs and communities with median incomes that do not exceed 82% of~~ the ~~State's median income~~2024 Plan, the ~~draft Plan proposed either a) using a carveout for an annual number of RECs to be procured from hydropower projects in or near each of either of these qualifying community types or b) a REC price adjustment for RECs procured from hydropower projects in or near each of these qualifying communities similar to the approach taken for Energy Transition Community Grant areas. The~~ Agency did not include a dedicated carveout for RECs from hydropower ~~RECs, is utilizing~~projects. Instead, the Agency utilized a price adjustment preference for Energy Transition Community Grant area projects~~,~~ and ~~will use~~then applied an additional $10/REC Strike Price adjustment for bid evaluation purposes for RECs from hydropower projects located in or adjacent to designated EJCs and communities with median incomes that do not exceed 82% of the State's median income. This price adjustment ~~is~~was used only for evaluating bids. If a hydropower project ~~is~~was selected, the resulting contract ~~will include~~would have included the Strike Price that was bid.

~~Table 5-5 below~~Table 5-5 below includes annual target REC quantities for the Agency's upcoming utility-scale wind/hydropower, utility-scale solar, and brownfield site photovoltaic project procurement events. These quantities do not include a division between wind and hydropower projects.

However, to date, the Agency's Indexed REC procurement events have not yielded RECs procured from hydropower projects.[365] The Agency is concerned that the approach used in the 2024 Plan may not be sufficient to support the hydropower repowering activity that was envisioned through P.A. 103-0380's enactment. Section 1-75(c)(1)(C)(i) of the IPA Act authorizes the Agency to consider other approaches, in addition to competitive procurements, to procure RECs from modernized or retooled hydropower facilities. Thus, the Agency seeks stakeholder feedback on how to ensure modernized or retooled hydropower facilities participate in the Agency's competitive procurements, and feedback on whether the Agency should procure RECs from modernized or retooled hydropower facilities through a different approach.

5.5.5 Repowered Wind Projects

P.A. 103-1066 added "repowered wind projects" to the list of project types that qualify to produce RECs to meet Illinois RPS goals. Under Section 1-75(c)(1)(C)(iii) of the IPA Act, a "repowered wind project" refers to "utility-scale wind projects featuring the removal, replacement, or expansion of

[365] The Agency's Fall 2025 Indexed REC procurement event will occur after the Agency publishes this draft 2026 Long-Term Plan and files the Plan with the Illinois Commerce Commission for approval.

turbines at an existing project site." That definition may be further refined through Long-Term Plan development.

As support for projects that have already been financed and constructed would not be the most impactful use of RPS funds, Section 1-75(c)(1)(C)(iii) clarifies that REC contract awards made to repowered wind projects "shall only cover the incremental increase in facility electricity production resultant from repowering." As with brownfield site photovoltaic projects, Section 1-75(c)(1)(C)(i) clarifies that the Agency "shall consider and may propose other approaches in addition to competitive procurements to procure renewable energy credits from repowered wind projects."

At this time, the IPA is unaware of any existing RPS-compliant utility-scale wind projects planning to repower, but suspects that dedicated support for repowering may become an issue across the next planning cycle. Consequently, the IPA is not proposing procurement events or procurement event eligibility for repowered wind projects as part of this Plan. Nevertheless, the IPA is interested in stakeholder feedback on 1) whether the IPA should allow for repowered wind project participation, 2) if so, whether repowered wind projects should compete on the basis of price against new utility-scale wind projects, and 3) whether alternative procurement approaches for repowered wind projects other than the IPA's Indexed REC procurement process should be considered. Should commenters demonstrate serious interest in RPS support for repowering wind projects through comments on this 2026 Plan, the Agency may reconsider its approach in its Plan filed with the ICC in October.

~~5.5~~5.6 Schedule for Competitive Procurements

As discussed above, Section 1-75(c)(1)(C) of the IPA Act established a 2021 delivery year target of procuring 10 million RECs delivered annually from new wind and solar projects. That target increases ratably to the procurement of 45 million RECs delivered annually from new wind and new solar projects by the end of the 2030 delivery year. Section 1-75(c)(1)(B) of the IPA Act also provides that the Agency's REC procurements must be equal to a minimum percentage of each utility's retail customer load, with REC procurements equal to at least 40% of retail customer load by the 2030 Delivery Year, and 50% by the 2040 Delivery Year.

~~The Agency understands~~When CEJA was enacted in 2021, 45 million RECs delivered annually was roughly equal to the projected 40% of retail customer load by the 2030 Delivery Year, especially when accounting for the additional RECs under contract through the 2010 LTPPAs. However, recent utility load forecasts reflect new load growth assumptions largely due data center development and increased electrification. These increases in load growth render the quantitative REC procurement targets and the percentage-based REC procurements inharmonious, requiring additional RECs to keep pace with Section 1-75(c)(1)(B)'s percentage-based goals.

As described in the 2024 Long-Term Plan, the Agency has understood the phrase "increasing ratably" to mean that the IPA should generally strive to procure an equal incremental amount of RECs each year, from 2022 to 2030, until the 2030 delivery year target of 45 million RECs is met. ~~Further informed by~~Based on the proportion of RECs required within each category under Section 1-75(c)(1)(C), this ~~results~~approach resulted in annual (rounded) procurement quantities of 1,750,000 utility-scale wind and hydropower RECs, 1,000,000 utility-scale solar RECs, and 65,000 brownfield site photovoltaic RECs for each year's competitive procurement events under the 2022 and 2024 Long-Term Plans.

~~Section 1-75(c)(1)(C)(ii) also requires that "if forecasted expenses are less than the maximum budget available under subparagraph (E) of~~ Under this ~~paragraph (1), the Agency shall continue to procure new renewable energy credits until that budget is exhausted." In the case of~~ 2026 Long-Term Plan, the Agency will conduct competitive procurements ~~for RECs from new utility-scale projects, however, "continuing to procure" is a more fraught alternative: contract obligations are paid upon delivery, meaning that procurement quantities now carry budget obligations 20+ years into the future and preclude additional program and procurement activity from being conducted.~~

~~The Agency has considered increasing utility-scale REC procurement event frequency to meet annual REC procurement targets. However, downsides to more frequent procurements include market confusion, increased administrative costs for participating bidders, and potentially reduced competitiveness of individual procurement events, thus risking a negative impact on resulting prices (and resulting budget impacts). However, the Agency may roll over unallocated utility-scale wind/hydropower, utility-scale solar, and brownfield site photovoltaic project REC targets and increase the size of REC procurement targets at future procurement events.~~

~~The Agency will conduct the following competitive procurements during the 2024 and 2025 calendar years at quantities developed to meet~~ in Summer 2026, Fall 2026, Summer 2027, and Fall 2027. To meet Section 1-75(c)(1)(C)'s statutory delivery year REC targets~~. These targets take the~~, each year's competitive procurement events will feature annual REC procurement quantities ~~described above (1.75~~of 2,500,000 million utility-scale wind and hydropower RECs, 1~~ million~~,500,000 utility-scale solar RECs, and ~~65~~90,000 brownfield~~) and~~ site photovoltaic RECs (as well as the shortfall amounts from procurements conducted in ~~2022 and 2023, and spreads those procurement quantities over~~ 2024 and 2025). These procurement quantities are allocated such that fifty percent of the total volume over the two Plan years is sought in the first procurement event and the remaining volume is split in thirds evenly over the remaining three procurement events~~, with the fourth procurement event designed to procure any unmet quantities from the prior procurement events.~~. Targets for each procurement may be adjusted upward based on results observed from prior procurement events, and the Agency ~~has modified~~will modify these target quantities based on results observed in the Fall ~~2023~~2025 procurement event, which ~~was~~will be conducted under authority from approval of the ~~2022 Plan.~~[366]

~~For~~ 2024~~, the~~ Plan. The Agency plans to ~~hold its first procurement event in Summer 2024. The Agency may request stakeholder feedback after a procurement event that does not meet REC targets to consider changes to the procurement requirements that could be made outside of updating this Long-Term Plan.~~roll over unallocated utility-scale wind and hydropower, utility-scale solar, and brownfield site photovoltaic project REC targets and increase the size of REC procurement targets at future procurement events to meet unfulfilled targets.

~~[366] The Fall 2023 procurement event included the following targeted REC amounts: 5,600,000 annual REC target for utility-scale wind projects, 1,100,000 annual REC target for utility-scale solar projects, and 127,000 annual REC target for brownfield site projects. Between 800,000 and 900,000 RECs from utility-scale wind projects, 1,227,451 RECs from utility-scale solar projects, and between 30,000 and 40,000 RECs from brownfield site were procured.~~

~~**Table 5-5: Procurement Targets in this 2024 Long-Term Plan**~~

Procurement	Technology	Procurement Date	Annual REC Target
Wind/Hyrdo Forward Procurement	Wind (utility-scale) /Hydropower	Summer 2024	2,700,000
Solar Forward Procurement	Photovoltaic (utility-scale)	Summer 2024	666,666
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Summer 2024	74,000
Wind/Hyrdo Forward Procurement	Wind (utility-scale) /Hydropower	Fall 2024	2,700,000
Solar Forward Procurement	Photovoltaic (utility-scale)	Fall 2024	666,666
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Fall 2024	74,000
Wind/Hyrdo Forward Procurement	Wind (utility-scale) /Hydropower	Summer 2025	2,700,000
Solar Forward Procurement	Photovoltaic (utility-scale)	Summer 2025	666,666
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Summer 2025	74,000
Wind/Hyrdo Forward Procurement	Wind (utility-scale) /Hydropower	Fall 2025	Remaining Unfilled Quantities
Solar Forward Procurement	Photovoltaic (utility-scale)	Fall 2025	Remaining Unfilled Quantities
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Fall 2025	Remaining Unfilled Quantities

Apart from rolling over unfilled REC targets to future events, the Agency also seeks stakeholder feedback on a new proposal for this draft 2026 Long-Term Plan to roll over any unallocated RECs in the *same* procurement for other bids that clear the benchmark regardless of product type. For example, if the procurement event has a target of 700,000 RECs from wind projects and no wind project is selected, then the Agency could apply the 700,000 unallocated RECs to other bids which exceed the target for that technology (such as utility-scale solar bids) and that cleared the benchmark in the same procurement event. The Agency also seeks feedback on whether the quantity of reallocated RECs should be limited (i.e. no more than 50% of unallocated RECs or no more than 50% of the same product's original REC procurement target may be rolled over for other products in the same procurement).

Further, the Agency seeks stakeholder feedback on a proposal to adjust procurement targets in a subsequent procurement event to adjust for RECs that will not be delivered under terminated contracts. The Agency proposes to adjust the REC procurement targets associated with the technology featuring the terminated contract commensurate with the number of RECs previously under contract and not delivered. As a simplifying example, an Indexed REC procurement event in Fall 2026 has REC target quantities of 1 million total RECs, with 650,000 RECs from utility-scale wind

+ hydropower projects and 350,000 RECs from utility-scale solar projects. 350,000 RECs are awarded to utility-scale wind + hydropower projects and all 350,000 RECs are awarded to utility-scale solar projects (with no rollover across categories). The next Indexed REC event is in Summer 2027 and had an originally planned target of 1 million total RECs, with 650,000 RECs to be procured from utility-scale wind + hydropower projects and 350,000 RECs to be procured from utility-scale solar projects. Prior to the Summer 2027 event, a utility-scale solar project terminates its contract to annually deliver 100,000 RECs. These 100,000 RECs would be added to the Summer 2027 solar REC target amount. Additionally, the 300,000 unallocated RECs from the Fall 2026 utility-scale wind + hydropower category would be added to the Summer 2027 utility-scale wind + hydropower REC targets. This would result in the Summer 2027 procurement having a target of 1,400,000 total RECs (1 million originally planned + 100,000 from the terminated solar REC contract +300,000 in unmet wind RECs – producing a split of 950,000 utility-scale wind RECs and 450,000 utility-scale solar RECs).

Table 5-5 below includes proposed annual target REC quantities for the Agency's upcoming utility-scale wind/hydropower, utility-scale solar, and brownfield site photovoltaic project procurement events.

Table 5-5: Proposed Procurement Targets for Upcoming Competitive Procurement Events From the 2026 Long-Term Plan

Procurement	Technology	Procurement Date	REC Target[A]
Wind/Hydro Forward Procurement	Wind (utility-scale)/Hydropower	Summer 2026	2,500,000
Solar Forward Procurement	Photovoltaic (utility-scale)	Summer 2026	1,500,000
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Summer 2026	90,000
Wind/Hydro Forward Procurement	Wind (utility-scale)/Hydropower	Fall 2026	833,333
Solar Forward Procurement	Photovoltaic (utility-scale)	Fall 2026	500,000
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Fall 2026	30,000
Wind/Hydro Forward Procurement	Wind (utility-scale)/Hydropower	Summer 2027	833,333
Solar Forward Procurement	Photovoltaic (utility-scale)	Summer 2027	500,000
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Summer 2027	30,000
Wind/Hydro Forward Procurement	Wind (utility-scale)/Hydropower	Fall 2027	833,333
Solar Forward Procurement	Photovoltaic (utility-scale)	Fall 2027	500,000
Brownfield Site Photovoltaic	Photovoltaic (Brownfield)	Fall 2027	30,000

[A] Unfilled REC quantities will roll-over to the next available procurement event; therefore, these values may differ from future actual REC Target quantities for a procurement.

~~5.5.1~~5.6.1 Schedule for Competitive Procurements After ~~2025~~2027

This ~~2024~~2026 Long-Term Plan covers the Agency's procurements conducted during delivery years ~~2024~~2026 and ~~2025~~2027. Procurements to be conducted after the ~~2025~~2027 delivery year will be

considered in the next ~~revised~~Long-Term Plan. A draft of that Plan is scheduled for release by mid-August ~~2025~~2027.

~~5.6~~5.7 Contracts

For competitive REC procurements conducted pursuant to the Long-Term Plan, the Agency publishes a draft of the REC contract for public comment and the Agency and the Procurement Administrator host a workshop to discuss updates ~~its~~to the REC contract used in previous competitive procurements for renewable energy credits prior to each procurement event.[367] These updates ensure that the contract in use is compliant with the requirements of the Illinois Power Agency Act, Public Utilities Act, and Commission Orders (including the Order approving the IPA's Long-Term Plan).

~~5.6.1~~5.7.1 Credit Requirements

To ensure that RECs under contract to satisfy a compliance requirement are indeed delivered, the Agency will continue requiring collateral with contracts, with the collateral amount established as a function of contract value. While specific collateral levels are not included in this ~~2024~~2026 Long-Term Plan (and have traditionally been determined through the contract development process), the Agency believes that the level of collateral must be low enough to encourage participation (especially from small businesses and other newer market entrants) and high enough to discourage suppliers from voluntarily defaulting on contracts for economic reasons.

Any forfeiture of a Seller's collateral by a project under a competitively procured REC contract with a utility will be ~~considered to be~~ returned to the Renewable Resources Budget. The Agency's competitive REC procurements have always featured a requirement for Sellers under those contracts to post collateral; however, the contracts have never featured Buyer-side collateral. The ~~IPA consistently hears~~Agency explained in the 2024 Plan that it has heard feedback from the market that the risk of non-payment by the Buyer ~~is~~was a significant enough risk that it ~~impacts~~impacted the ability of potential Sellers to obtain financing and, ultimately, participate in the procurement. ~~The~~

In the 2024 Plan, the IPA ~~has~~explained that it considered ~~the employment of~~employing Buyer-side collateral that could then be drawn upon should the Buyer be unable to perform – that is, if funds are unavailable under the RPS budget.

~~A~~ However, the Agency explained that a Buyer-side collateral requirement would offer new challenges for implementation. ~~It~~For example, it is unclear where the collateral funding could come from. ~~It~~The Agency explained that it is possible that the RPS collections could be leveraged to fund this requirement; however, this creates a series of additional challenges. Funding for projects themselves would be more restricted if using RPS collections for Buyer-side collateral, and this could also be seen as further exacerbating the risk for Buyer non-performance. Alternatively, Buyer-side collateral could be funded from other utility collections, but this likely would have to be addressed through a separate proceeding, such as the multi-year rate plans.

Ultimately, while the implementation of a Buyer-side collateral requirement may reduce the risk of non-payment, given the challenges discussed above, the IPA did not recommend ~~the adoption of~~ a Buyer-side collateral requirement in ~~this~~the 2024 Plan. ~~While~~ The Agency raised the issue of Buyer-side collateral ~~was raised~~again in ~~comments on~~ the stakeholder feedback request while drafting this

[367] See the Procurement Administrator's Indexed REC RFP page: https://www.ipa-energyrfp.com/indexed-renewables/.

2026 Long-Term Plan~~, no intervenor filed an objection seeking a modification of this section of the Plan; accordingly, the Commission determined~~. The majority of stakeholders responded that ~~no discussion~~the enactment of P.A. 103-1066, specifically the addition of Section 1-75(c)(1)(E-5) of the ~~issue was required.[368]~~ IPA Act, has strengthened cost recovery assurances for parties under Indexed REC contracts because Buyers have the ability to recover full costs to meet existing contractual obligations to Sellers. Accordingly, the Agency does not propose a Buyer-side collateral requirement in this Plan.

~~5.6.2~~5.7.2 Voluntary Default and Misrepresentations

To ensure that entities who participate in procurement events are committed to following through on contract performance, the IPA has imposed a strict requirement that suppliers and associated facilities who ~~voluntarily default on contracts for economic reasons (such as choosing to sell the RECs elsewhere after making the commitment to sell them to an Illinois utility), or~~knowingly misrepresent their eligibility to participate in a procurement event~~,~~ or act in bad faith will risk being ineligible for participation in future RPS procurements. This requirement was initially approved in the 2022 Long-Term Plan, and the Agency has kept the requirement in place. ~~For voluntary economic default, an~~[369] An initial two-year suspension term will be considered to be a generally reasonable penalty, and the IPA has discretion to consider a harsher penalty for ~~a second default for economic reasons or if it finds a party knowingly made misrepresentations or acted in bad faith.[370]~~ subsequent occurrences of misrepresentation or acts of bad faith.

Thus, in determining whether precluding future participation is warranted, the Agency will review all available facts and evidence and consider whether the supplier or applicant made a good faith effort at compliance and whether non-compliance resulted from circumstances outside of that party's control. The Agency will monitor and review this requirement and will consider refinements or updates to it in future Plan revisions if necessary.

~~5.6.3~~5.7.3 Indexed REC Contract Flexibility

To ensure that entities who participate ~~in~~ in the Agency's procurement events do not speculatively bid and are committed to delivering the RECs offered through the ~~RFP~~procurement, the Indexed REC contract requires the Seller to meet the delivery obligations under the contract. In each Delivery Year, the Seller must deliver to the Buyer the quantity of RECs that meets the Delivery Year Requirement under the terms of the parties' Indexed REC contract. If the Seller fails to deliver the Delivery Year Requirement for a Delivery Year, such amount of RECs that the Seller fails to deliver to satisfy the Delivery Year Requirement for such Delivery Year shall be deemed a "Shortfall Amount."[371]

~~In~~As described in the 2024 Plan, and in recognition of the variance and unpredictability inherent in wind and solar project output, pursuant to stakeholder input, several accommodations have been incorporated ~~pursuant to stakeholder input~~into the Indexed REC contract to assist ~~the Seller~~Sellers

~~[368] Final Order at 20, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[369] See Final Order at 7-10, ICC Docket No. 22-0231 (Jul. 14, 2022).

~~[370] See Final Order at 7-10, ICC Docket No. 22-0231 (Jul. 14, 2022).~~

[371] As defined in the Indexed REC Contract, the "Shortfall Amount" is the quantity of RECs that Seller fails to deliver to satisfy the Delivery Year Requirement for a Delivery Year.

in meeting ~~its~~ delivery obligations under the Indexed REC contract. ~~These accommodations include the following:[372]~~

~~a. Shortfall under the Indexed REC contract will only result in an Event of Default if: (i) Seller fails to meet the Delivery Year Requirement for three (3) or more years (which do not need to be consecutive), and (ii) the cumulative sum of the Shortfall Amounts for all Shortfall Years equals or exceeds the annual quantity;~~

~~b. Delivery underperformance for the initial partial Delivery Year when RECs are first delivered and then the first full Delivery Year are excused such that Seller's failure to meet the Delivery Year Requirement through the first full Delivery Year (i.e., the first June 1 through May 31 period in the delivery term) as well as any stub period prior to the first full Delivery Year will not constitute a Shortfall Amount;~~

~~c. An acceptable vintage period of 241 months (i.e., 20 years and 1 month) starting on the month of electric generation underlying the first REC issuance and ending on the last day of the 241st month since the start of the acceptable vintage period, and a delivery period that extends three months after the conclusion of the acceptable vintage period;~~

~~d. Flexibility on size changes after contract award subject to the terms of the Indexed REC contract;~~

~~e. The integration of a Delivery Year Requirement Calculation based on a 0.5% degradation adjustment for Utility-Scale Solar Projects and Brownfield Site Photovoltaic Projects;~~

~~f. Additional flexibility on delivery requirements such that the three Illinois electric utilities no longer have first rights to the project's RECs; and there is an option for Seller to indicate a percent of the project's output it elects to commit to the Buyer under the applicable Indexed REC contract so as to allow for a third party off-taker to procure a portion of the project's output that is not committed to the Buyer under the applicable the Indexed REC contract; and~~

~~g. A process for Seller to make manual transfer of RECs to the Buyer(s) for the purpose of reducing Shortfall Amounts incurred in one or more Delivery Years, which may include RECs that were generated in excess of prior Delivery Year Requirements and RECs that were not previously committed to the Buyer(s).~~

~~Although these accommodations provide the Indexed REC contract with a good amount of flexibility, some commenters on the draft Plan sought a shift to "unit-contingent" contracts through which delivery requirements would map strictly on actual project output.~~ While the IPA was hesitant to change the overall Indexed REC contract structure, ~~in~~pursuant to the Commission's approval of the 2024 Long-Term Plan~~ filed with the Commission in October 2023 for approval~~, the Agency ~~proposed~~incorporated the following additional contract ~~flexibility on three of the accommodations listed above~~ flexibilities in the Summer 2024, Fall 2024, and Summer 2025 Indexed REC contracts to better manage the variability in project output~~.[373]~~:

~~Regarding item a.~~,) Shortfall under the ~~Agency proposed to change the~~Indexed REC contract results in an Event of Default ~~to occur~~only if: (i) Seller fails to meet the Delivery Year Requirement for five ~~(5)~~ or more years (which do not need to be consecutive), rather than the ~~current three (3) or more~~

~~[372] These accommodations are provided for exemplary purposes and may be changed through the standard contract development process.~~

~~[373] As with the accommodations already utilized in the Indexed REC contract outlined above, the three new proposals may still be modified through the Indexed REC Contract development process if further changes are warranted, although the IPA is committed to pursuing implementation of these proposals for Indexed REC procurements covered by the 2024 Plan.~~

~~years. This change should~~previous three or more years; and (ii) the cumulative sum of the Shortfall Amounts for all Shortfall Years equals or exceeds three and a half times the annual quantity, which is an increase from one times the annual quantity described in the 2024 Plan. These changes are intended to allow additional flexibility should weather or other factors result in unforeseen system underproduction~~.~~, while also offering Buyers a level of certainty that Sellers will be accountable for REC delivery shortfalls.

~~Regarding item b., under the current Indexed REC contract, delivery underperformance through the first full Delivery Year is excused and will not constitute a Shortfall Amount. To provide additional accommodation for the period directly following project energization, the Agency proposed to change this .~~) The REC delivery underperformance allowance ~~to extend~~extends through the first two ~~(2)~~ full Delivery Years, during which delivery underperformance ~~would be~~is excused and will not constitute a Shortfall Amount~~—~~. This accommodation provides a twelve~~ (12)~~ -month extension of the excuse period ~~versus the current contract~~to provide additional accommodation for the period directly following project energization. The Delivery Year Requirements that prevent RECs eligible for payment to exceed the Maximum Contract Quantity ~~would~~ remain the same.

~~Regarding item c., the current Indexed REC contract uses a Delivery Year Requirement Calculation based on a 0.5% Delivery Year Degradation Factor adjustment for Utility-Scale Solar Projects and Brownfield Site Photovoltaic Projects. However, the Agency is aware that some projects under contract may expect or experience degradation levels above this amount. To accommodate potentially higher levels of degradation and better match contracted REC deliveries with anticipated project projection, the Agency proposed to enable~~c.) The Indexed REC contract Delivery Year Requirement Calculation allows Utility-Scale Solar Projects and Brownfield Site Photovoltaic Projects to self-designate a Delivery Year Degradation Factor up to 1%, an increase from the previous 0.5% Delivery Year Degradation Factor, which ~~would be~~is built into the Indexed REC contract Delivery Year Requirement Calculation. ~~As with the current contract, the~~The Delivery Year Requirement for the last Delivery Year ~~would still~~will be adjusted so that RECs delivered under the contract may not cumulatively cause the Maximum Contract Quantity to be exceeded.

~~Beyond these~~d.) The Agency allows Seller to provide a written request to Buyer and the Agency to amend the Project Committed Percentage and Standing Order in the event that the Project's Nameplate Capacity has changed after the initial Standing Order has been established. This process only allows for changes to the ~~Indexed REC~~ capacity of the project, but not the REC delivery obligation from the project. The process to change the REC delivery obligation prior to construction is separate and covered under the post-award contract ~~under this 2024 Plan, further~~ changes ~~to the~~ described Section 5.4.8.

e.) The Agency provides flexibility on project size changes after contract ~~may occur during~~award and prior to project construction and provides an optional one-time automatic adjustment to the strike price based on the inflation formula after the Commission bid approval date. Please see 5.4.8 above for discussion on post-award contract changes.

While future Indexed REC RFP processes will provide opportunities for public comment on the contract development ~~and comment process prior to the next~~, the Agency seeks stakeholder feedback through this Long-Term Plan on potential contract challenges that have not been resolved by the contract flexibilities that are outlined above.

5.7.4 Regulatorily Continuing Provision in Indexed REC Contract

Under versions of the Indexed REC Contract developed since the passage of Public Act 102-0662, the Product (the RECs themselves) is regulatorily continuing and Seller primarily retains risks related to changes in law or regulations that could affect the eligibility of the Product to meet the requirements of the contract. Based on feedback received across contract development processes, the IPA understands this regulatorily continuing clause as posing challenges when utilizing the Indexed REC contract for successfully financing a project's development.

The Agency has a strong interest in both facilitating robust competition in its competitive procurement ~~event.~~events and ensuring that selected projects are provided with the best possible chance at successful development. Doing so requires that the underlying contract instrument is a financeable contract. Consequently, for this draft Plan, the IPA is interested in feedback on changes to the Indexed REC contract's regulatorily continuing requirement.

One possible approach in the case of a government action that may fundamentally impact the project, its RECs, or other contractual obligation, would be to expressly allow either Buyer or Seller to petition the ICC to consider non-price-related contract amendments that would bring the product or instrument into compliance with newly developed government requirements. If the ICC determines that the proposed contract modification is in public interest, the IPA would draft a contract amendment that faithfully implements the ICC's direction and both Buyer and Seller shall be obligated to execute such amendment within a reasonable time set by the IPA. In comments on this draft Plan, the Agency is interested in feedback on this approach or other potential approaches, including identification of best practices around regulatorily continuing clauses in other jurisdictions.

Just as the Agency seeks to ensure that Sellers' needs are met, the IPA also recognizes that contract terms must adequately manage Buyers' risks, ensuring that counterparty electric utilities do not unnecessarily face risks of stranded costs. An Illinois Commerce Commission Order may give Buyers under Indexed REC contracts necessary cover for the adoption of terms which they may otherwise view as too risky for inclusion. Thus, while contract changes are already considered in anticipation of each Indexed REC procurement event, the IPA believes that the Long-Term Plan approval proceeding is the appropriate avenue for reconsideration of the regulatorily continuing nature of the Indexed REC contract, as a Commission Order may provide both certainty to project developers and cover for counterparty electric utilities.

5.7.5 Changes to Federal Investment Tax Credit

The IPA is aware that recent changes to federal tax credit eligibility may present challenges to the economics of renewable energy projects participating in the Agency's competitive procurements. New Section 11.3 of the most recently published Indexed REC contract[374] (as clarified through guidance issued in connection with the Summer 2025 Indexed REC procurement event) is intended

[374] ~~220 ILCS 5/16-111.5(e)(2).~~ See https://www.ipa-energyrfp.com/wp-content/uploads/2025/05/FINAL-Indexed-Renewable-Energy-Credit-Agreement_28-MAY-2025.pdf.

to protect Sellers from material changes to the availability of the Investment Tax Credits ("ITC") used to develop renewable energy projects experienced by Sellers after bids are received.[375]

The Agency seeks stakeholder feedback on proposed changes to the Indexed REC contract language that could be tailored to provide greater assurance for parties participating in the Agency's competitive procurement events in 2026 and 2027, including whether Section 11.3 sufficiently addresses ITC-related risks and whether any changes to the circumstances under which collateral should be refunded are warranted.

5.7.6 Use of Surety Bonds to Meet Seller's Collateral Requirement

Article 7 of the IPA's Indexed REC contract currently provides that Seller may provide performance assurance[376] through either posting a letter of credit or posting cash collateral with Buyer if Seller's collateral threshold[377] is lower than the collateral requirement.[378] Through Indexed REC contract development processes, the Agency has received requests from Sellers to include an option to use surety bonds as collateral instruments. The Agency seeks stakeholder feedback on the potential benefits or drawbacks to including surety bonds as a means for Seller to provide performance assurance.

~~5.7~~5.8 Benchmarks

Prior to the revisions to the RPS contained in Public Act 99-0906, benchmarks used for renewable energy resources procurements (i.e., confidential price levels above which no bids would be accepted) were developed pursuant to a statutory provision requiring that the price paid for renewable energy resources being procured "not exceed benchmarks based on market prices for renewable energy resources in the region," and required that such benchmarks "be developed by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor" and "subject to Commission review and approval."[379]

As modified through changes found in P.A. 102-0662, "cost-effective" means that the prices for RECs

> *do not exceed benchmarks based on market prices for like products in the region. For purposes of this subsection (c), "like products" means contracts for renewable energy credits from the same or substantially similar technology, same or substantially similar vintage (new or existing), the same or substantially similar quantity, and the same or*

[375] On July 29, 2025, the IPA issued an FAQ outlining the process for a Seller, after determining that the project no longer qualifies for the ITC, to terminate the REC agreement and recover Performance Assurance under Section 11.3 of the Indexed REC contract. See FAQ-Indexed REC-86 https://www.ipa-energyrfp.com/faqs/indexed-renewables-faqs/?topic=all .

[376] "Performance Assurance" in the Summer 2025 Indexed REC contract was defined as collateral in the form of cash or letters of credit, or other security acceptable to Buyer.

[377] "Collateral Threshold" means, with respect to Seller or Seller's Guarantor, if applicable, the amount determined to be equal to the positive difference, if any, between: (a) the Collateral Requirement (or Increased Collateral Requirement, if applicable); and (b) the Collateral Threshold, as estimated by Buyer ("Performance Assurance Amount").

[378] "Collateral Requirement" was defined in the Summer 2025 Indexed REC contract to mean (a) with respect to a Utility-Scale Wind Project or a Hydropower Project, an amount equal to four dollars ($4) times the Annual Quantity and which shall be reduced for the last Delivery Year, if applicable, to reflect an amount equal to the product of the Delivery Year Requirement for the last Delivery Year and four dollars ($4); provided that if the Collateral Requirement is calculated to be less than $20,000, then the Collateral Requirement shall be $20,000; and means, (b) with respect to a Utility-Scale Solar Project or a Brownfield Site Photovoltaic Project, an amount equal to ten dollars ($10) times the Annual Quantity and which shall be reduced for the last Delivery Year, if applicable, to reflect an amount equal to the product of the Delivery Year Requirement for the last Delivery Year and ten dollars ($10); provided that if the Collateral Requirement is calculated to be less than $20,000, then the Collateral Requirement shall be $20,000.

[379] 20 ILCS 3855/1-75(c)(1) repealed effective June 1, 2017.

> *substantially similar contract length and structure. Benchmarks shall reflect development, financing, or related costs resulting from requirements imposed through other provisions of State law, including, but not limited to, requirements in subparagraphs (P) and (Q) of this paragraph (1) and the Renewable Energy Facilities Agricultural Impact Mitigation Act. Confidential benchmarks shall be developed by the procurement administrator, in consultation with the Commission staff, Agency staff, and the procurement monitor and shall be subject to Commission review and approval. If price benchmarks for like products in the region are not available, the procurement administrator shall establish price benchmarks based on publicly available data on regional technology costs and expected current and future regional energy prices.*[380]

Changes through P.A. 102-0662 clarified that a) benchmarks are "confidential" (which is separately required under Section 16-111.5 of the PUA) and b) benchmarks developed shall reflect any costs imposed by "other provisions of State law" (which the Procurement Administrator would generally otherwise seek to do). By law, these benchmarks are not to be used to curtail or otherwise reduce contractual obligations entered into by or through the Agency prior to June 1, 2017.[381]

Due to the sensitive nature of the benchmark development process and how the release of information related to the level of the benchmark could impact bidder behavior in competitive procurements, prior to the Summer 2024 Indexed REC RFP, additional information ~~has~~had never been provided regarding the process for developing the benchmark or any range of potential benchmark prices. Potential bidders ~~have~~had never been provided with an opportunity to comment on benchmark inputs or have been given visibility into the methodology itself, including around how project-related "development, financing, or related costs" are being estimated. In comments on prior Long-Term Plans and comments offered on procurement documents, potential bidders have sought to ensure that the Procurement Administrator is incorporating the most relevant, up-to-date market information into the methodology used for benchmark development.

~~The Agency~~In the 2024 Long-Term Plan, the Agency explained that it recognizes that potential bidders have a strong interest in understanding and helping shape the inputs and assumptions informing benchmark development, even if the benchmark prices themselves must remain confidential. In light of these concerns, but given the need to maintain the confidentiality of benchmarks and ensure the integrity of the competitive bidding process, ~~in~~ the ~~Plan filed with the Commission in October 2023 for approval, the IPA proposed~~Summer 2024 Indexed REC RFP introduced process changes to the Indexed REC benchmark development process:[382] The Agency will maintain these the process developed under the 2024 Plan in PY 2026 and PY 2027.

First, as part of the development of procurement requirements and standard contract forms leading up to each Indexed REC procurement event, the Procurement Administrator will release the following:

- Categories of cost, revenue, and other inputs and assumptions utilized within the benchmark development methodology; and

[380] 20 ILCS 3855/1-75(c)(1)(D).

[381] Id.

[382] These ~~proposed~~ changes are only for Indexed REC procurements, where benchmarks are developed for evaluating the economics of specific projects, rather than gauging wholesale market conditions. The Agency does not intend to make similar changes to the development of benchmarks used for energy and capacity procurements that are outside the scope of this ~~2024~~2026 Long-Term Plan.

- General data sources potentially utilized by the Procurement Administrator, without revealing any specific data points or values anticipated to be utilized and without linking any specific data source to any specific input category.[383]

Next, potential bidders will be allowed at least two weeks to comment on the Procurement Administrator's release, including the ability to provide their insights around appropriate market assumptions and to propose additional sources of data or information that the Procurement Administrator should consider in establishing benchmarks. Potential bidders may designate confidential, proprietary, or commercially sensitive portions of their comments as confidential, in which case only redacted versions of those comments will be published.

Those new data sources, inputs, and insights outlined in comments will then be reviewed for consideration by the Procurement Administrator, Procurement Monitor, IPA, and Illinois Commerce Commission staff in the development of benchmark prices used for that upcoming Indexed REC procurement event. However, the proposed benchmark prices submitted to the ICC for approval will remain confidential, and whether any specific data source proposed by potential bidders was indeed relied upon will remain confidential.

While not a wholesale overhaul, the IPA is hopeful that these benchmark development changes will provide increased transparency into the Indexed REC procurement process in a manner that better accommodates participants to procurement events.

~~5.8~~5.9 Release of REC Quantity Information from Selected Bids

Section 16-111.5(h) of the PUA provides that the address and nameplate capacity of each project be released with the results of procurements of renewable energy resources. The Act also states that "[a]n estimate or approximation of the nameplate capacity of the new renewable energy generating facility may be disclosed if necessary to protect the confidentiality of individual bid prices" and further, [t]he Commission, the procurement monitor, the procurement administrator, the Illinois Power Agency, and all participants in the procurement process shall maintain the confidentiality of all other supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs."[384]

As is evident from discussion of procurement results in this chapter, not disclosing REC quantities can make it difficult to discuss the status of utility-scale procurements and targets to be filled. While confidentiality related to specific bid prices is important, nameplate capacities are released, and typical capacity factors to translate nameplate capacities into REC quantities are industry knowledge. Therefore, as established in the 2024 Plan and was done with the results of the Summer 2024 Indexed REC procurement event, the Agency ~~plans to~~will again release REC quantities of individual projects so long as the confidentiality of bid prices is maintained.

[383] See https://www.ipa-energyrfp.com/wp-content/uploads/2024/04/Indexed-REC-RFP-Invitation-to-Comment-on-Benchmark_APR-10-posted-1.pdf.

[384] 220 ILCS 5/16-111.5(h).

6. Self-Direct Renewable Portfolio Standard Compliance Program

6.1 Introduction

Section 1-75(c)(1)(R) of the IPA Act requires that the Agency "establish a self-direct renewable portfolio standard compliance program for eligible self-direct customers that purchase renewable energy credits from utility-scale wind and solar projects through long-term agreements." By law, and as described more extensively below, qualifying customers must meet certain size thresholds, while qualifying projects must be "new" projects sited in locations otherwise eligible for RPS compliance.

As explained ~~above~~ in Chapter 3, RPS compliance in Illinois is managed by the Illinois Power Agency through its administration of programs and procurements. Deliveries of renewable energy credits ("RECs") are brought under contract through the IPA's programs and procurements, with Illinois electric utilities serving as the Buyers and recipients of RECs produced by participating renewable energy projects.

Prior to the enactment of P.A. 102-0662, progress toward meeting RPS goals was measured exclusively through projects participating in IPA programs and procurements, featuring RECs purchased by, delivered to, and retired by Illinois electric utilities. The self-direct program, established under changes in law pursuant to P.A. 102-0662, provides a mechanism for RECs procured and retired by private entities to count toward RPS compliance for the Agency.

The Illinois RPS self-direct program operates in contrast to the IPA-administered RPS activities in the following ways:

1. Under the self-direct program, RECs are received and retired by individual customers through their own purchases, rather than by the electric utility. Because the customer is responsible for retiring the RECs under their contract, the customer can make environmental claims regarding its own use of renewable energy.
2. As that customer meets RPS requirements through its own REC purchases, its electricity usage is no longer included in the calculation used to track the State's broader RPS compliance.
3. As that customer is engaged in its own REC procurement activities, it is credited back for, or excused from, some portion of RPS charges levied to support RPS activities.

As this RPS compliance occurs through private bilateral transactions entered into at the election of those private parties, rather than through a centralized planning or regulatory process, that RPS compliance pathway is viewed as "self-compliance" or "self-direct." This Chapter provides the requirements for participation in the self-direct program, including an explanation of interpretive decisions of the IPA Act arising from the Commission's approval of the Agency's 2022 Long-Term Plan in June 2022.[385]

[385] For a comprehensive overview of RPS self-direct programs which preceded the self-direct program outlined in Section1-75(c)(1)(R) of the IPA Act, please see Section 6.1.2 of the Agency's 2022 Long-Term Plan.

6.2 Self-Direct Customer Eligibility

Illinois statute limits which customers may participate in the self-direct program. By law, only "eligible self-direct customers" may qualify; Section 1-75(c)(1)(R)(1) provides the following definition outlining that requirement:

> *"Eligible self-direct customer" means any retail customers of an electric utility that serves 3,000,000 or more retail customers in the State and whose total highest 30-minute demand was more than 10,000 kilowatts, or any retail customers of an electric utility that serves less than 3,000,000 retail customers but more than 500,000 retail customers in the State and whose total highest 15-minute demand was more than 10,000 kilowatts.*

This definition imposes limitations on customer eligibility. First, the customer must be a retail customer of either Commonwealth Edison Company (as the only electric utility in Illinois which serves over 3 million retail customers) or Ameren Illinois (as the only electric utility in Illinois that serves less than 3 million but more than 500 thousand retail customers). Customers of municipal electric utilities, rural electric co-operatives, or incumbent electric utilities in the state (such as MidAmerican Energy Company, which serves fewer than 500 thousand retail customers in Illinois) are ineligible to participate in the self-direct program. Second, to be eligible, the customer's demand must be of at least a threshold size: 10,000 kilowatts of peak demand. Thus, the Illinois RPS self-direct compliance program is a program for only *large customers* of the largest Illinois electric utilities.

In order to determine customer eligibility, the IPA has interpreted the 10,000 kilowatt threshold as non-coincident peak demand. The evaluation of whether customers have met this threshold is based upon customer billing information available at the time of application approval. Should the customer's demand subsequently decline below the 10,000 kilowatt threshold, that demand decline would not invalidate an approved customer's established eligibility. Meeting the threshold may be established by monthly utility bills or utility historical consumption reports, so long as that proof is derived from the 12 consecutive billing periods prior to the start of the year in which the application is filed. For established utility customers whose demand subsequently declines below the 10,000 kilowatt threshold, that demand decline would not invalidate an approved customer's established eligibility. A customer may apply to participate in the self-direct program based on anticipated demand of a new or expanded facility that does not yet have bills from 12 consecutive billing periods to establish that the threshold has been met. An applicant that lacks billing history will be accepted on a conditional basis if the customer is able to clearly demonstrate from recent consecutive billing history either a consistent or increasing facility demand toward meeting the 10,000 kilowatt threshold. A conditionally accepted applicant must submit supplemental consecutive billing data to prove that the facility is meeting the 10,000 kilowatt threshold by June 1 of the program year following the large customer's initial acceptance. Failure to demonstrate that this threshold has been met will result in the removal of the customer from the self-direct program.

6.2.1 Common Parents

Section 1-75(c)(1)(R)(1) also provides a definition of "retail customer" that allows for account aggregation in the case of common corporate parents:

> *"Retail customer" has the meaning set forth in Section 16-102 of the Public Utilities Act and multiple retail customer accounts under the same corporate parent may aggregate*

> *their account demands to meet the 10,000 kilowatt threshold. The criteria for determining whether this subparagraph is applicable to a retail customer shall be based on the 12 consecutive billing periods prior to the start of the year in which the application is filed.*

Thus, in the case of common corporate parents, multiple individual accounts from affiliated companies (e.g., individual retail branch locations from the same company) may be aggregated for purposes of meeting this size threshold, and by extension for purposes of establishing those customer accounts that may benefit from the self-direct program through a reduced RPS charge. For an individual retail account to be eligible to be aggregated under a corporate parent's application, the IPA requires that an individual retail account entity be a fully owned, integrated operation of the corporate parent or a subsidiary in which the corporate parent holds a controlling interest of more than 50 percent. Applicants will be required to demonstrate that this controlling interest threshold has been met at the time of the application.

In accordance with the Commission's Order in Docket No. 22-0231, customers under the same corporate parent may aggregate their account demands across the ComEd and Ameren service territories to meet the 10,000 kW threshold. These customers "must qualify their accounts according to the statutory definition of 'Eligible self-direct customer' for each of the utilities in which the customer has accounts that it seeks to aggregate to meet the 10,000 kW threshold."[386] Furthermore, "customer accounts may only receive the Self-Direct Program credit that is specific to the utility that serves that account."[387]

An example of how the aggregation of demand would be applied: Corporate Parent owns two manufacturing facilities—Facility A, which is in the ComEd service territory, and Facility B, which is in Ameren's service territory. Facility A's peak 30-minute demand of 7,000 kW can be combined with Facility B's peak 15-minute demand of 4,000 kW to exceed the 10,000 kW threshold for self-direct program qualification. Facility A will receive the self-direct credit for ComEd customers, and Facility B will receive the self-direct credit for Ameren customers.

The Agency understands that questions may arise related to the affiliation of facilities that cannot as easily demonstrate corporate ownership; for example, multiple affiliated government accounts. The IPA has interpreted the "common parent" provisions to provide that individual government buildings for a given municipality should be understood as having the same "corporate parent," but less obvious cases may require judgment once applications are reviewed. A certified resolution or affidavit from an appropriate municipal official that identifies the specific accounts and verifies that those accounts are controlled by the municipality is acceptable proof of eligibility for the 10,000 ~~kilowatt~~kW threshold. However, individual customer accounts assembled under an aggregation contract (such as with opt-out municipal aggregation as contemplated under Section 1-92 of the IPA Act) cannot qualify, unless those customers separately establish a common corporate parent. Likewise, individual municipal accounts across municipalities joined together by an Intergovernmental Cooperation Agreement may not qualify under the "common parent" provision,

[386] Final Order at 14, ICC Docket No. 22-0231 (July 14, 2022).

[387] Id.

as the character of an intergovernmental agreement between multiple and separate municipalities more closely resembles a contractual relationship than a common corporate parent.[388]

6.3 Project Eligibility

To qualify, an eligible self-direct customer must hold a long-term contract for the delivery of RECs from an eligible renewable energy generating facility. Section 1-75(c)(1)(R) provides requirements applicable to those renewable energy projects.

6.3.1 "New" Utility-Scale Projects

Under Section 1-75(c)(1)(R)(2)(vi) of the Act, RECs must be sourced "from new utility-scale wind projects or new utility-scale solar projects." While Section 1-75(c)(1)(R) provides no definition of a "new" project, subsection 1-75(c)(1)(C)(iii) of the IPA Act expressly provides that "new" projects are those energized after June 1, 2017. As the definition of a "new project" found in subsection 1-75(c)(1)(C)(iii) is stated as broadly applying "[f]or purposes of this Section," the IPA has interpreted the provisions of 1-75(c)(1)(R) to require that energization after June 1, 2017, is determinative as to whether a project may be considered "new" for self-direct RPS compliance purposes.[389] Under the express language used throughout Section 1-75(c)(1)(R), only utility-scale (above 5 MW) wind or photovoltaic projects may qualify.

6.3.2 Locational Requirements

Section 1-75(c)(1)(R)(2)(ii) provides that RECs must be sourced from a facility compliant with "the geographic requirements as set forth in subparagraph (I) of paragraph (1) of subsection (c) as interpreted through the Agency's long-term renewable resources procurement plan, or, where applicable, the geographic requirements that governed utility-scale renewable energy credits at the time the eligible self-direct customer entered into the applicable renewable energy credit purchase agreement." The first half of this requirement is relatively straightforward; in Chapter 4, the IPA describes its approach to qualifying renewable energy projects located in adjacent states under Section 1-75(c)(1)(I) of the IPA Act. Those adjacent state facilities must meet a threshold score based on project application, and the Agency has a predetermination process for entities seeking to understand whether certain facilities qualify. In order to be eligible for the self-direct program, the renewable generating facility located in an adjacent state that provides RECs to the self-direct customer must achieve a total score of at least 60 points based upon the scoring criteria outlined in Chapter 4.

Less straightforward is the specific point in time at which this Section 1-75(c)(1)(I) criteria applied versus a preceding location construct. The scoring methodology and threshold score under Section 1-75(c)(1)(I)'s public criteria were finalized through the April 3, 2018, ICC approval of the IPA's Initial Long-Term Renewable Resources Procurement Plan. In outlining requirements applicable to projects participating in initial forward procurements (including those as early as the Fall of 2017) under Section 1-75(c)(1)(G) of the IPA Act, the Agency determined the Section 1-75(c)(1)(I)'s

[388] This conclusion was affirmed by the Commission in Docket No. 22-0231, in which the Commission stated that "[m]unicipalities that have entered into an intergovernmental agreement are not 'under the same single corporate parent' as required by the IPA Act." -Final Order, ICC Docket No. 22-0231, at 15. (Finding that "[m]unicipalities that have entered into an intergovernmental agreement are not 'under the same single corporate parent' as required by the IPA Act.").

[389] ~~To support equivalent treatment between projects, the IPA does not understand "new" projects to include *repowered* projects, such as an existing wind farm featuring replaced turbines; otherwise, facilities may seek to repower well before the useful life of renewable energy generation equipment has expired in seeking a more lucrative REC delivery contract.~~

requirements still-to-be-determined through the Initial Long-Term Plan approval process must nevertheless apply. Thus, because the Agency previously applied these criteria to REC delivery contracts executed between June 1, 2017, and April 3, 2018, June 1, 2017 constitutes the date at which Section 1-75(c)(1)(I)'s locational criteria became effective for purposes of Section 1-75(c)(1)(R).

While no qualifying facility can have an *energization date* pre-dating June 1, 2017, it is possible that some REC supply contracts were nevertheless *executed* before June 1, 2017 for projects still under development. In this case, the precursor to Section 1-75(c)(1)(I) was the "Illinois and adjacent state" preference then found in Section 1-75(c)(1) of the IPA Act—through which, under competitive procurements, RECs from Illinois and adjacent states were given selection priority, with consideration of RECs from elsewhere only provided if procurement quantities could not be met through Illinois and adjacent state projects. The IPA thus understands that should a qualifying REC supply contract have been entered into *before* June 1, 2017, that facility may be located anywhere within Illinois or an adjacent state, but not outside of that footprint.

6.3.3 Labor and DEI Requirements

Section 1-75(c)(1)(R)(2)(vii) requires that, for self-direct REC delivery contracts entered into after the September 15, 2021, effective date of Public Act 102-0662, "the new utility-scale wind projects or new utility-scale solar projects must comply with the requirements established in subparagraphs (P) and (Q) of paragraph (1) of this subsection (c) and subsection (c-10)."

With respect to the requirements of subparagraph (P), priority in selection will be given to applications featuring projects located in Energy Transition Community Grant communities should the program receive qualified applications exceeding program size. That approach is outlined in Section ~~6.6.3~~6.6.3 below.

The referenced subparagraph (Q) requires that projects comply with the Prevailing Wage Act and enter into a project labor agreement. For Prevailing Wage Act compliance, customers must submit certified transcripts of payroll (forms created by Illinois Department of Labor) to both the IPA and the Illinois Department of Labor ("IDOL") for each month in which construction activity occurs. For project labor agreements, utility-scale projects participating in IPA procurements as outlined in Chapter ~~5~~5 are required to submit a project labor agreement at least 60 days prior to beginning construction. The timing of these requirements for other Agency-administered programs – that is, submission of project labor agreements and certified transcripts of payroll either prior to or during construction – does not align with the self-direct project application timing, whereby projects are applied after construction. Therefore, self-direct program applicants must submit a copy of the project labor agreement and/or certified transcripts of payroll for the construction of their facility with the application for participation in the self-direct program.

Subsection 1-75(c-10) of the IPA Act provides that projects must comply with the minimum equity standard detailed in Chapter 10 of this Plan. Not all elements of the Minimum Equity Standard fit with the unique structure of the self-direct program, however. For example, the MES Compliance Plan is intended to be a roadmap to demonstrate how a developer of renewable projects plans to comply with the Minimum Equity Standard at the outset of project development and through construction and maintenance; yet the self-direct program involves applications from projects already constructed, possibly years before application. Under the 2022 Long-Term Plan, the Agency required the self-direct applicant to submit a Minimum Equity Standard Compliance Plan with its application

to the program, though a waiver was available. As the Minimum Equity Standard was not in effect until June 1, 2023, the Agency allowed self-direct program applicants seeking to participate in the program in the 2022-2023 ~~program year~~Program Year to seek a waiver of this requirement.

For future applications to the self-direct program, ~~including those submitted in 2024 shortly after approval of this Plan,~~ the MES applicable to the construction of projects ~~applied~~applying to the self-direct program will be the MES percentage in effect for the years in which the construction occurs~~—~~—not the year in which the project is applied to the program. For projects where construction spans multiple program years, the project must demonstrate compliance with all applicable MES percentages, not just the percentage in effect during the first year of construction. The Agency will encourage, but not require, that a Minimum Equity Standard Compliance Plan be created and submitted with the self-direct program application. However, the Agency will require that the self-direct program applicant demonstrate that the MES percentage requirements applicable to the years of the project's construction were met in order to accept the project into the program. The Agency will provide additional guidance as to the form of that demonstration.

6.4 REC Delivery Contract Eligibility

Even with a qualifying customer and qualifying project, certain Section 1-75(c)(1)(R) requirements also apply to the legal instrument through which that customer receives RECs from that "new," locationally-appropriate utility-scale wind or utility-scale solar facility. Notably, that instrument need not be exclusively for RECs; bundled agreements (including, e.g., delivery of energy) may also qualify, so long as REC delivery requirements are met through those instruments. By extension, delivery to the customer may also occur through an instrument executed with an intermediary, such as an alternative retail electric supplier; however, any instruments executed with an intermediary (i.e., not with the qualifying facility itself) must be structured to ensure that (1) sufficient quantities of RECs will be delivered from qualifying facilities across the minimum contract term and (2) the specific source of RECs is identified.

6.4.1 Contract Term

Mirroring the long-term REC delivery contracts provided for elsewhere throughout Section 1-75(c)(1) of the IPA Act, Section 1-75(c)(1)(R)(2)(iii) requires that RECs "be procured through long-term contracts with term lengths of at least 10 years" from qualifying facilities. The IPA understands that this requirement is intended to help ensure that qualifying facilities may not have been built but for the REC delivery contract that provided long-term revenue certainty back to that facility, and thus that the Illinois RPS self-direct program provides benefits to credit new renewable energy project development.

Section 1-75(c)(1)(R) does not require 10 years of REC deliveries from the date of application into the program; instead, only that the contract term itself is at least 10 years in length. Consequently, a customer could already be receiving RECs under a qualifying REC delivery contract at the time of application to the program with fewer than 10 years of deliveries remaining, and benefit from self-direct participation for the remaining years of that contract. However, as 10 years of deliveries *under compliant terms* are required to meet the contract length threshold, should any aspect of that contract have been non-compliant with self-direct program requirements, the REC delivery contract may be required to extend beyond the 10-year minimum threshold.

As discussed further in this Chapter, to demonstrate compliance with these and other requirements, applicant customers will generally need to provide the legal instrument through which RECs are required to be delivered as supporting evidence. The Agency recognizes that this instrument may contain information that is confidential, proprietary, and/or commercially sensitive. As the materials submitted with an application become State records subject to the requirements of the Illinois Freedom of Information Act, the Agency requests that any confidential, proprietary, and/or commercially sensitive materials provided to the Agency with an application, including but not limited to this instrument, be marked as such at the time of the application.

6.4.2 Delivery Quantity Requirement

Section 1-75(c)(1)(R)(2)(iv) requires that RECs delivered to an eligible self-direct customer from a qualifying facility or facilities "be equivalent in volume to at least 40% of the eligible self-direct customer's usage, determined annually by the eligible self-direct customer's usage during the previous delivery year, measured to the nearest megawatt-hour." Thus, if a customer used 10,000 megawatt-hours in the previous delivery year, then the contracted delivery quantity must be at least 4,000 RECs. A customer may receive and retire additional RECs from that same facility, although no additional credit is provided beyond the applicable published self-direct credit amount,[390] with that published self-direct credit amount then applying to the entirety of that customer's load. Thus, the self-direct credit operates in a binary manner—if a customer qualifies, then the entirety of the customer's volumetric RPS charges are credited accordingly, with that customer's load no longer included in the denominator used for determining how many RECs must be procured by the IPA to meet Section 1-75(c)(1)'s RPS goals.

The Agency received feedback ~~on its draft~~when developing the 2024 Plan~~, noting~~ that the statutory requirement that REC deliveries be equivalent in volume to 40% of the customer's usage is a higher threshold than the current RPS target. Commentors suggested that the self-direct program should be modified to allow for participation where a participating customer's REC deliveries do not meet this 40% threshold. Those commenters argued that this change would increase participation in the program and increase progress towards achievement of the RPS goals. As this requirement stems from the statute and not the Plan itself, the Agency is unable to modify this delivery quantity requirement absent a legislative change.

The issue of whether that 40% threshold is subject to an annual determination was settled through the approval of the Agency's 2022 Long-Term Plan. Section 1-75(c)(1)(R)(5) states in relevant part that "[o]nce the Agency determines that a self-direct customer is eligible for participation in the program, the self-direct customer will remain eligible until the end of the term of the contract[.]" Given this language and the administrative burden of annually comparing customer usage to REC deliveries (and then possibly distinguishing between good faith non-compliance versus gaming), the IPA conducts an initial determination as to whether the legal instrument is sufficiently structured to meet 40% of the customer's usage through REC deliveries. However, the Agency reserves the right to make inquiries of customers should it have reason to believe that the threshold is consistently being missed and may take action under Section 1-75(c)(1)(R)(6) of the Act should that customer fail to provide documentation demonstrating ongoing compliance (including through required annual compliance reporting, as discussed in Section ~~6.9 below).~~6.9 below).

[390] Final Order at 39, ICC Docket No. 22-0231 (Jul. 14, 2022).

6.5 Self-Direct Crediting and Accounting

The benefit of self-direct RPS program participation for an eligible self-direct customer is simply a reduction in the non-bypassable charges levied by Illinois electric utilities to support RPS activities (or, stated differently, a "credit" against those charges). The methodology for determining bill credits for participating customers is outlined in Section 1-75(c)(1)(R)(4) of the IPA Act. The interpretation of that bill crediting methodology as approved by the Commission in ICC Docket No. 22-0231 is explained below. In its Final Order in Docket No. 23-0714 approving the 2024 Long-Term Plan, the Commission confirmed that the methodology outlined below establishes the credit amount as required by statute.[391]

Meanwhile, the benefit to the state of Illinois in providing the self-direct program is a reduction in the quantity of RECs required to be procured through IPA-administered utility-scale procurements, as "[e]ach renewable energy credit procured . . . by a self-direct customer shall reduce the total volume of renewable energy credits the Agency is otherwise required to procure from new utility-scale projects." The self-direct program thus allows the Illinois RPS to recognize private sector renewable energy support through a reduction in required REC procurement quantities, albeit with a corresponding reduction to available RPS budgets. The requirement that contracts be at least 10 years in length should reduce the year-to-year budget volatility resultant from other possible self-direct regimes.

6.5.1 Self-Direct Bill Crediting

Section 1-75(c)(1)(R)(4) authorizes a "reduction in the volumetric charges collected pursuant to Section 16-108 of the Public Utilities Act for approved eligible self-direct customers" as the benefit to those customers from self-direct program participation. The IPA understands "volumetric charges collected pursuant to Section 16-108" to refer only to those charges utilized to support RPS program and procurement activities pursuant to Section 16-108(k) of the PUA, and not charges used to support the procurement of zero emission credits, carbon mitigation credits, Coal to Solar and Energy Storage Initiative Charges, or other collections and initiatives referenced in Section 16-108(k).

That reduction, or "credit," is calculated to be "equivalent to the anticipated cost of renewable energy credit deliveries under contracts for new utility-scale wind and new utility-scale solar entered for each delivery year after the large energy customer begins retiring eligible new utility scale renewable energy credits for self-compliance." Section 1-75(c)(1)(R)(4) clarifies that the self-direct credit amount shall be "equal to the estimated portion of the cost authorized by subparagraph (E) of paragraph (1) of this subsection (c) that supported the annual procurement of utility-scale renewable energy credits in the prior delivery year using a methodology described in the long-term renewable resources procurement plan, expressed on a per kilowatthour basis." By law, the credit back to the customer cannot include "costs associated with any contracts entered into before the delivery year in which the customer files the initial compliance report to be eligible for participation in the self-direct program" or "costs associated with procuring renewable energy credits through existing and future contracts through the Adjustable Block Program, subsection (c-5) of this Section 1-75, and the Solar for All Program," although as the ICC recognized in Docket No. 22-0231, Section 1-

[391] Final Order at 32, ICC Docket No. 23-0714 (Feb. 20, 2024).

75(c)(1)(R)(4)'s reliance on crediting the "estimated portion" of utility-scale REC delivery costs could create overlap into actual costs from those categories.[392]

The Agency conducted an analysis of actual and forecasted bill credit rates (cents/kWh) which is provided in Figure 6-1. As summarized in this Figure below, Ameren and ComEd bill credits have ranged between 0.028-0.0426 cents/kWh from the 2023-2024 Program Year through the 2025-2026 Program Year. Bill credit rates are projected to increase as the number of utility-scale projects contracted through the Agency's Indexed REC procurements become commercially operational (i.e., energized). Starting in the 2026-2027 Program Year, the number of energized projects is expected to begin increasing at a more rapid pace which results in a moderate increase to the resulting bill credit rates forecast. Specifically, during the 2026-2027 Program Year, bill credit rates are projected to increase to 0.04381 and 0.05384 cents/kWh for Ameren and ComEd, respectively; and increase further during the 2027-2028 Program Year to 0.07621 and 0.08743 cents/kWh, respectively.[393] Extrapolating the likely additional projects under contract and operational based upon historic rates with a further escalator,[394] bill credit rates are projected to continue to climb, with a forecast offset of over 40% by the 2030-2031 Program Year.

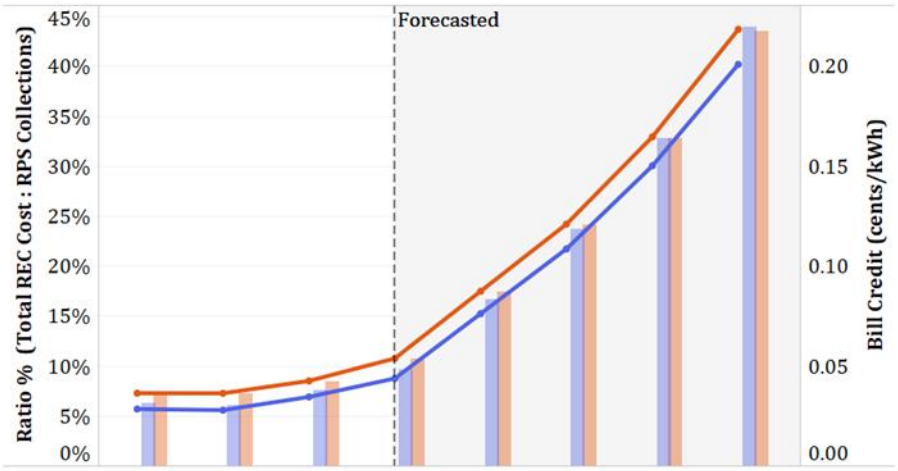
As the number of projects contracted for through the Agency's procurements grow and subsequently become energized, the resulting bill credit rate may increase, which would provide an even greater RPS charge offset to customers participating in the self-direct Program. While the bill credit value was low at the commencement self-direct Program during the 2023-2024 Program Year, given the low number of energized projects, the low bill credit is not expected to persist in upcoming program years leading to substantial forecasted RPS charge offsets.

[392] Final Order at 39-40, ICC Docket No. 22-0231 (Jul. 14, 2022).

[393] Bill credit rates for the 2026-2027 and 2027-2028 Program Years are forecasts only and will be updated in later bill credit calculations based upon updated costing data provided by utilities, contracted project completion updates, and new contracts resulting from the IPA's Indexed REC procurements.

[394] The year-over-year increase from 2026-27 to 2027-28 is approximately 7% for both Ameren and ComEd. An additional escalator of 2% per year was used (i.e., a cumulative increase of 9% and 11% for 2029-30 and 2030-31).

Figure 6-1: Actual & Forecast Self-Direct Program Bill Credit Rates[395]



	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Ameren - Ratio %	6.24%	6.11%	7.56%	9.58%	16.66%	23.74%	32.82%	43.90%
ComEd - Ratio %	7.25%	7.24%	8.48%	10.71%	17.40%	24.08%	32.77%	43.45%
Ameren - Bill Credit	0.02854	0.02797	0.03460	0.04381	0.07621	0.10860	0.15020	0.20090
ComEd - Bill Credit	0.03645	0.03640	0.04260	0.05384	0.08743	0.12100	0.16470	0.21840

6.5.1.1 Interpretation of the Self-Direct Bill Credit

Section 1-75(c)(1)(R)(4) of the IPA Act specifies that the bill credit available to approved self-direct program customers is equivalent to the "anticipated cost of renewable energy credit deliveries under contracts for new utility-scale wind and new utility-scale solar entered for each delivery year after" that participation begins. The credit must be "the estimated portion of the cost authorized by subparagraph (E) of paragraph (1) of this subsection (c) that supported the annual procurement of utility-scale renewable energy credits in the prior delivery year."

As outlined above and reinforced by the Illinois Commerce Commission in Docket No. 22-0231, self-direct bill crediting concerns *only* costs reflective of utility-scale wind and utility-scale solar procurements, and expressly not "costs associated with procuring renewable energy credits through existing and future contracts through the Adjustable Block Program, subsection (c-5) of this Section

[395] The analysis used to calculate the values provided in this figure rely upon the current commercial operation dates for utility-scale renewable projects, calculated spreads between strike price and forecast energy price at the forecasted time of the energization, and utility-provided collections for historic periods (actual) and subsequently used as a future forecast of collections. This results in an extrapolation the potential future utility bill credits in a loosely linear fashion; however, utility collections to offset utility-scale project expenses will not necessarily grow linearly over time. As such, the analysis above is only a rough estimate and somewhat derivative, with actual future bill credits likely to deviate from what is provided in this Figure as actual costs, collections, and project energization statistics are used to calculate future bill credits. Further, the ratio of REC Costs to RPS Collections is likely to evolve over time as utility over- or under-collections change the prevailing ratio (i.e., while costs grow, so too do collections, dampening the ratio and resulting Self-direct customer offset).

1-75, and the Solar for All Program."[396] Self-direct bill crediting also does not include "costs associated with any contracts entered into before the delivery year in which the customer files the initial compliance report to be eligible for participation in the self-direct program[.]" In the 2022 Long-Term Plan, the Agency noted these limitations introduced problematic variance in the self-direct credit level by basing that credit level on the specific year of a given self-direct customer's participation in the program.

In approving the 2022 Long-Term Plan, the Illinois Commerce Commission addressed these issues, concluding that it is appropriate to calculate the self-direct bill credit using a three-year rolling average of eligible utility-scale REC delivery contracts, where the three years to be used consist of "the two-years prior to the year being determined and the third year being the anticipated costs" outlined in the Plan.[397] This approach both addressed the Commission's concern that establishing the credit based on the self-direct customer's participation date "instills too much instability for Self-Direct Program participants,"[398] while also ensuring that only costs associated with utility-scale REC delivery contracts were credited.

The Commission's direction regarding the use of a three-year rolling average did not explicitly address how the costs for each of the three years should be determined. The Commission explained that the averaging approach would "reflect [the] statutory inconsistencies" and directed that "a three-year rolling average of *eligible* utility-scale REC delivery contracts be used, consisting of the two-years prior to the year being determined and the third year being *the anticipated costs as outlined in the [Plan]*."[399] The Order does not elaborate on which utility-scale REC contracts should be considered "eligible," nor does it reference the section of the Plan it is referring to regarding anticipated costs.

In finalizing the 2022 Long-Term Plan, the Agency ultimately settled on an interpretation through which the self-direct credit level is established by "including costs for utility-scale REC contracts regardless of when the contracts were entered into in calculating the costs for each of the three years." Under this approach, REC delivery costs associated with the utility-scale REC delivery contracts dating as far back as the 2010 Long-Term Power Purchase Agreements ("LTPPAs") are used in determining the self-direct credit amount. This crediting approach reflects something akin to a "like for like" crediting by class of expenditure—the customer's bill crediting level is determined using *only* utility-scale project RPS costs, based on an average of those costs to the RPS budget over a three-year period, and does not reflect costs used to support the ~~ABP~~Illinois Shines or ILSFA programs.

A related interpretive decision concerns the treatment of brownfield site photovoltaic project REC delivery contract costs. The IPA interprets the Commission's reference to "eligible utility-scale REC delivery contracts" to mean the costs associated with brownfield site photovoltaic projects – which *technically* did not participate in utility-scale wind or utility-scale solar procurement events – should be included in the calculation as long the project qualifies as "utility-scale" (i.e., over 5 MW) under Illinois law. However, costs associated with coal-to-solar procurements would not qualify as those

[396] 20 ILCS 3855/1-75(c)(1)(R)(4).

[397] Final Order at 40, ICC Docket No. 22-0231 (Jul. 14, 2022).

[398] Id. at 39.

[399] Id. at 39-40. (Emphasis added).

projects are funded through an entirely separate stream of collections (and not those collections authorized by Section 1-75(c)(1)(E) of the IPA Act).

In the version of the 2024 Long-Term Plan filed with the Commission for approval in October 2023, the Agency proposed to continue to utilize the bill crediting methodology that was finalized in the Commission-approved 2022 Long-Term Plan. While stakeholders advocated for alternative approaches to the crediting structure both in comments on the draft 2024 Plan and in Objections to the filed 2024 Plan, the Agency noted that the crediting methodology is outlined in the statute and the interpretation of the statute was a contested issue settled in Docket No. 22-0231. ~~he~~The self-direct credit calculation methodology was established through the Commission's Order in that proceeding; there has been no change in law since that time that would prompt a deviation from that interpretation. The Commission confirmed that the approach outlined in ~~this~~the 2024 Plan sets the credit amount as required by the IPA Act and declined to adopt any modifications to the crediting rate. That approach has been retained in this 2026 Long-Term Plan.

6.5.1.2 Self-Direct Bill Crediting: Example

Consistent with the express limitations of Section 1-75(c)(1)(R)(4) and the Commission's interpretive decisions from Docket No. 22-0231, the following is an example of how the Agency calculates self-direct crediting rates. For illustrative purposes, assuming participation for the ~~2024 delivery year (the first year of the program),~~2028 Delivery Year, the IPA will average the RPS budget impacts for utility-scale REC delivery contracts across the ~~2022-23~~2024-25, 2025-26, and ~~2023-24 delivery years with~~ 2026-27 Delivery Years. This will comprise the actual costs that occurred during the 2024-25 and 2025-26 Delivery Years and the *anticipated* procurement costs in the remainder of the 2025-26 and 2026-2027 Delivery Years, *regardless of contract execution date* for the upcoming ~~(2024-25) delivery year.~~ 2026-27 Delivery Year. Similarly, self-direct program crediting for the ~~2026 delivery year~~2028 Delivery Year would be dependent on actual utility-scale REC delivery contract costs from the ~~2024~~2026 and ~~2025 delivery years~~2027 Delivery Years, and anticipated costs for the ~~2026 delivery year.~~2028 Delivery Year. Anticipated costs ~~would be~~are determined through a) the Agency's estimate of by when those projects will become energized and begin delivering RECs, and b) the Agency's anticipated budget impacts from those contracts based on its forward price curve calculation under Section 1-75(c)(1)(G)(v).

The benefit of this approach is the presence of a single self-direct crediting rate for a given program year. A "three-year rolling average" will change year by year as the delivery years to compute that average change and ~~those years'~~ costs vary~~. But~~ over the years. However, for the ~~2027 delivery year~~2029 Delivery Year, a customer with initial participation in ~~2024~~2026 would receive the same crediting level as a customer with initial participation in ~~2026~~2028—even if that crediting level will be different in the ~~2028 delivery year~~2030 Delivery Year. These anticipated delivery year costs are then translated to an average fractional amount of the amount of collections authorized under Section 1-75(c)(1)(E) of the Act for the three delivery years. That fractional amount may be expressed as a percentage, and that percentage is then used for a per-kilowatt-hour calculation of the credit due back to participating customers.

Thus, if the volumetric RPS charge authorized by Section 1-75(c)(1)(E) was 1 cent per kilowatt-hour and anticipated average qualifying contract costs across those three years constituted 10% of the RPS expenditures, then the applicable self-direct credit would be calculated as 0.1 cents per kilowatt hour. That crediting level is applied to the entirety of that customer's load so long as that customer

was retiring the qualifying percentage of RECs (at least 40% of load). As noted above, the law does not contemplate an adjustment in crediting rate for additional REC retirements *beyond* 40%.

Based on this example, the customer will then receive a ¢/kWh credit for its purchase of RECs as determined pursuant to subsection 1-75(c)(1)(R) of the IPA Act. Outlined below is the methodology in the self-direct credit rate as approved by the Commission in Docket No. 22-0231.

Equation 6-1: Self-direct Credit Rate Calculation

$$(\frac{\beta}{\mu})_t = \text{X}$$

In the equation above, *t* indicates year of delivery.

Given:

$$X * (\ kWh\ of\ RPS\ Collections) = Self_Direct\ Credit$$

This percentage is then multiplied against the per kwh RPS collections charge assessed to retail customers to produce a per kWh self-direct credit value.

Assuming this, the following costs are included in the self-direct program credit calculation:

β is the summation of:

2010 Long-Term Power Purchase Agreements Total Cost

Bundled REC + energy contracts entered into in 2010 to facilitate the development of new utility-scale renewable energy generation; only the REC portion of the expense (the imputed REC price) is calculated as a drawdown from the RPS budget.

Initial Forward Procurements (utility-scale wind, utility-scale solar) Total Cost

Authorized under P.A. 99-0906, these procurements were intended to support the development of new utility-scale wind and solar projects through 15-year REC delivery contracts paid upon actualized REC deliveries and invoiced monthly.

Other Forward Procurements (utility-scale wind, utility-scale solar, brownfield site photovoltaics) Total Cost

Authorized under the Initial Long-Term Plan approved by the Commission in ICC Docket No. 17-0838, these procurements were intended to support the development of new utility-scale wind and solar projects, and new brownfield site photovoltaic projects, to meet future years' Section 1-75(c)(1)(C) new project REC delivery targets. As with the initial forward procurements, these procurements feature 15-year REC delivery contracts with payments made upon delivery.

Indexed REC Procurements (utility-scale wind, utility-scale solar, brownfield site photovoltaics)

Authorized under P.A. 102-0662 and the IPA's 2022 Long-Term Plan, none of these projects have yet been energized and thus feature costs used in this calculation, and it is possible that

none may become energized across the next two years. When these projects near energization, their anticipated REC delivery contracts may be included in the calculation.

The beta is then divided by μ, where μ is the RPS collections.

The resulting, *X*, is expressed as a percentage. X is then multiplied against the per kwh RPS collections charge assessed to retail customers producing the per kWh self-direct credit value the applicant receives on their bill.

$$X * (kWh\ RPS\ Collections) = Self - Direct\ Credit$$

This formula was utilized to determine the bill crediting rate for the self-direct program over the ~~2023-2024 delivery year~~2025-2026 Delivery Year and was approved by the Commission in Docket No. ~~22-0231~~23-0714 as explained further below in Section 6.5.1.3. The Agency will continue to utilize this Commission-approved approach in determining the bill crediting amount for future delivery years under this Long-Term Plan.

6.5.1.3 Self-Direct Bill Crediting: Compliance Filing

Section 1-75(c)(1)(R)(4) requires that the IPA annually calculate the self-direct crediting amount(s) and "submit this to the Commission in an annual compliance filing," with the Commission required to "approve the self-direct credit amount by June 1, 2023 and June 1 of each delivery year thereafter."

Traditionally, compliance filings made in a Commission proceeding are made to ensure compliance with a prior Commission directive; unless prompted by a reopening or motion, no Commission action on a compliance filing is typically required. Under the Commission's Final Order in Docket No. 22-0231, however, the Commission must take an overt action every year to approve the self-direct credit amount in the same manner as the Commission approves benchmarks utilized for competitive procurements.[400] Thus, after the IPA's compliance filing and after allowing sufficient time for parties to contest that filing, the Commission shall place on its agenda a vote to approve the self-direct credit.[401] The Commission must approve a self-direct crediting amount by June 1, the start of a delivery year. The Agency understands that this amount must be known to Illinois electric utilities no later than May 20 for application within the June billing period of the delivery year beginning June 1.

The Agency includes the following information in its annual compliance filing: (1) actual or anticipated costs of utility-scale REC delivery contracts by delivery year for the three years utilized for the rolling average, including the anticipated volumes of REC deliveries from those projects and aggregated assumptions about price (mindful of the confidentiality of individual bid prices), (2) a narrative explanation of the calculations, and (3) the self-direct credit applicable to all customers expressed as a per kilowatt-hour value.[402]

[400] Final Order at 40-41, ICC Docket No. 22-0231 (Jul. 14, 2022).

[401] Id.

[402] Separate from that compliance filing, Section 1-125(b)(5) of the IPA Act also requires the Agency to report annually on "the total amount of customer load featuring renewable portfolio standard compliance obligations scheduled to be met by self-direct customers" pursuant to the self-direct program, as well as "the minimum annual quantities of renewable energy credits scheduled to be retired by those customers and amount of installed renewable energy generating capacity used to meet" the self-direct program's requirements. The IPA publishes its annual report on its website by February 15 of each year with copies provided "to the Governor and the General Assembly."

6.5.2 Procurement Target Adjustments

Section 1-75(c)(1)(R)(3) provides that each REC procured in connection with the self-direct program "shall reduce the total volume of renewable energy credits the Agency is otherwise required to procure from new utility-scale projects pursuant to subparagraph (C) of paragraph (1) of this subsection (c) on behalf of contracting utilities where the eligible self-direct customer is located." The Agency will include estimates of RECs procured in connection with the self-direct program, as well as anticipated RPS budget adjustments necessitated by self-direct program bill crediting, in its analyses of RPS Goals, Targets, and Budgets produced through its Long-Term Plans and interim updates posted on its website. For a more in-depth look at the Agency budget with the self-direct program's impacts on overall Agency targets and goals, please see Chapter 3 of this Plan.

6.6 Self-Direct Program Size ~~&~~Approach & Project Selection

Section 1-75(c)(1)(R)(3) requires the Agency to "annually determine the amount of utility-scale renewable energy credits it will include each year from the self-direct renewable portfolio standard compliance program." In making this determination, "the Agency shall evaluate publicly available analyses and studies of the potential market size for utility-scale renewable energy long-term purchase agreements by commercial and industrial energy customers and make that report publicly available." In the 2022 Long-Term Plan, the Agency noted that it would determine the appropriate program size following the Commission's approval of that Plan in Docket No. 22-2031, thereby allowing all parties more certainty regarding the mechanics of the self-direct program. In accordance with the 2022 Long-Term Plan, on November 30, 2022, the Agency issued Requests for Information ("RFIs") to stakeholders to solicit information to inform the determination of program size for the 2023-2024 ~~program year~~Program Year. The Agency evaluated publicly available analyses and studies of the potential market, as well as responses to the RFIs. On January 20, 2023, the Agency published a Report that proposed a program size of 3 million annual Renewable Energy Credits ("RECs").[403] The size was finalized in the Agency's February 1, 2023, announcement.

~~In anticipation of increased interest in the self-direct program~~Under the 2024 Long-Term Plan, the Agency ~~will expand~~expanded the program size to 4 million RECs for the 2024-2025 ~~delivery year, and then~~Delivery Year.[404] For the 2025-2026 Delivery Year, the Agency ~~will reevaluate~~issued a Program Size Survey on December 10, 2024, and released a stakeholder feedback request on January 15, 2025 proposing the program size ~~for the subsequent 2025-2026 delivery year.~~be set at 4.5 million RECs.[405] The Agency published the 2025-2026 Delivery Year program size of 4.5 million RECs on January 30, 2025 with the release of the program application forms.[406] As discussed herein, the Agency proposes to increase the 2026-2027 Delivery Year program size to 5.5 million RECs based upon additional research and analysis.

6.6.1 Self-Direct Program Size ~~Report~~Determination

In the first program year, applicants did not reach the total program size of 3,000,000 RECs. As stated in the IPA's February 1, 2023 announcement, "if an entity is not selected to participate in the upcoming program year because of any program size limitations, the Agency will be accepting

[403] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/self-direct-program-size-report-20-jan-2023.pdf.

[404] See https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20240226-self-direct-application-opening-py2.pdf.

[405] See https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250115-self-direct-program-target-2025-26-fv2.pdf.

[406] See https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250130-self-direct-application-form-2025-2026py.pdf.

applications on an annual basis and will take into consideration applications not selected for establishing the program size for subsequent program years." The Agency also notes that given the realities of development timelines for large renewable energy projects, this program size will accommodate a realistic growth trajectory for the self-direct program.

~~The 2023-2024 program size was determined through a formal RFI process in conjunction with an analysis of potential market size trajectory. For the 2023-2024 delivery year, participants are scheduled to retire a total of between 500,000 and 1 million RECs through the self-direct program, well below the 3,000,000 REC program size. For the development of this 2024 Long-Term Plan, the Agency held a stakeholder feedback process to solicit input from stakeholders regarding the size of the self-direct program. The Agency received feedback asserting that the self-direct program should be sized at 14 million RECs to provide certainty to potential participants that there will be sufficient capacity; however, this feedback was not supported by an analysis demonstrating that this is reflective of the potential market size for the program. Similarly, the IPA received public comments on the draft 2024 Plan urging the adoption of a larger self-direct program size; however, no analysis was provided to demonstrate that a larger market size is necessary. The Agency has publicly stated that it intends to reevaluate the program size if program capacity is reached. At this time, the Agency does not see a need to increase the self-direct program size beyond 4 million RECs.~~

~~While participation in the self-direct program may grow over time, the requirements surrounding size, project location, and contract length limit the current potential applicants. In its 2023 report, the Agency reviewed studies and data to obtain a better understanding regarding the capacities, timing, and location of utility-scale wind and utility-scale solar facilities in relation to corporate renewable energy purchases.[407] U.S. Energy Information Administration ("EIA") data compared to recent commercial and industrial consumption and utility scale renewable generation data, can define an estimate of the overall size of the commercial and industrial electricity markets, as well as an estimate of the amount of utility-scale wind and utility-scale solar capacity and generation in Illinois.[408]~~

~~This analysis is examined in more depth in the Agency's self-direct program size report. To summarize, the IPA compared U.S. EIA data of the total amount of renewable energy consumed by commercial and industrial customers in the U.S., to the renewable energy consumed by commercial and industrial customers in Illinois, to calculate a percentage factor. The IPA applied this percentage to national corporate contract data from Clean Energy Buyers Association ("CEBA")[409] to estimate the corporate REC procurement in Illinois. Using this method to forecast estimates for a three-year period of deliveries (due to the uncertainty of energization timelines) for the 2023 delivery year results in a potential range of RECs that could be available for retirement as compliance with the self-~~

~~[407] The Agency reviewed the currently available or updated studies including (i) S&P Global Market Intelligence, RRA Regulatory Focus, 2021 Corporate Renewables Outlook, April 21, 2021., (ii) J.Kobus, A.I. Nasrallah, J. Guidera, Columbia, SIPA, Center on Global Energy Policy, "The Role of Corporate Renewable Power Purchase Agreements in Supporting U.S. Wind and Solar Deployment, March 2021.", and (iii) Retail Industry Leaders Association, "Corporate Clean Electricity Procurement Index 2020: State Leadership & Rankings.", March 2020. Data regarding the capacity and generation associated with large C&I PPAs and VPPAs announced or executed with utility-scale wind and solar projects includes S&P Global Market Intelligence, https://www.spglobal.com/marketintelligence/en/, Clean Energy Buyers Association (CEBA), "CEBA Deal Tracker", "CEBA State of the Market Report.", Green Biz Clean Energy Deal Tracker, RE Surety, State of the Renewables Market, BNEF Corporate Energy Market Outlook, and Edison Energy Quarterly Renewables Market Update.~~

~~[408] U.S. EIA, Electric Power Monthly, February 2021. www.eia.gov/electricity/monthly/.~~

~~[409] Clean Energy Buyers Association, 2021 Deal Tracker and Deal Tracker Q3 2022, www.ceba.org/deal-tracker.~~

~~direct program in the range of 1,250,390 to 1,368,350. The actual range of RECs from customers accepted into the self-direct program fell below this estimate.~~

~~The table below provides a summary of the specific C&I renewable agreements with utility-scale wind and utility-scale solar projects with operation dates of 2020 through 2023 in Illinois as reported by various sources. The potentially available REC quantities based on reported corporate renewable energy contracts executed by Illinois corporate entities, shown in Table 6-1 between 2020 through 2023, totals 3,757,049 RECs. However, some of these agreements may not qualify for the self-direct program, and this does not cover all of the potential contracts that make up qualifying facilities in Illinois as there may be others that have not been publicly reported. The self-direct program size report determined that estimated output of the facilities associated with these projects (which is a proxy for REC production) can give a reasonable estimate of program size.~~

For the 2024-2025 and 2025-2026 Delivery Years, participants are scheduled to retire a combined total of approximately 1.2 million RECs through the self-direct program, well below the 4,000,000 REC and 4,500,000 REC respective program year sizes. This 1.2 million REC figure is inclusive of the new project application approved for inclusion during the recent 2025-2026 Delivery Year.

To establish the program size for the 2026-2027 Delivery Year, the Agency built upon the analysis used to develop the 2025-2026 program size. The 2025-2026 Delivery Year analysis consisted of a stakeholder survey, market analysis of prospective customer renewable project development in Illinois, and analysis of new and evolving customer segments likely to spur further renewable energy project development in Illinois. The 2026-2027 program size determination included additional research into new or expanded commercial and industrial customer renewable project development—through both power purchase agreements and specific project development initiatives. Table 6-1 provides a summary of the project announcements Agency research identified and used as a proxy of prospective future in-state renewable development and potential customer participation in the 2026-2027 self-direct program.

As explained in the previous section, the Agency issued a stakeholder survey seeking input from prospective parties on their intent to participate in a forthcoming program year. Input on statistics of prospective project size, timing, and related data was sought through that survey to inform the Agency's program size determination. The Agency received a single response to the stakeholder survey, and the responding stakeholder demonstrated an intent to submit a project forecasted to generate between 200,000-250,000 RECs per year. This project did not submit an application during the 2025-2026 program year application period (February through May 2025), and as such was included in the prospective 2026-2027 and 2027-2028 program sizing analysis.

Table 6-1: ~~Corporate Agreements~~Prospective Renewable Energy Project Development Supporting 2026-2027 Program Size Determination

Entity	Technology	Prospective Operation Date	Expected Capacity (MW)	Expected Generation (MWh)
Verizon	Solar	2025-2026	250	525,600
Meta	Solar	2026+	274	576,058
Microsoft	Solar	2026+	110	231,264

Microsoft	Solar	2026+	140	294,336
Microsoft	Solar	2026+	160	336,384
Transunion	Solar	2025	8.5	17,870
CVS	Solar	2025	18	37,843
State Farm	Solar	2025	50	105,120
Google	Solar	2025-2026	593	1,246,723
Statkraft	Wind	2026+	300	1,182,600
Confidential [A]	Solar	2026, 2027, 2028	~100	200,000-250,000

[A] The confidential Entity provided above refers to a stakeholder submitted prospective project that may look to participate in a forthcoming Self-direct Program application program year submission.

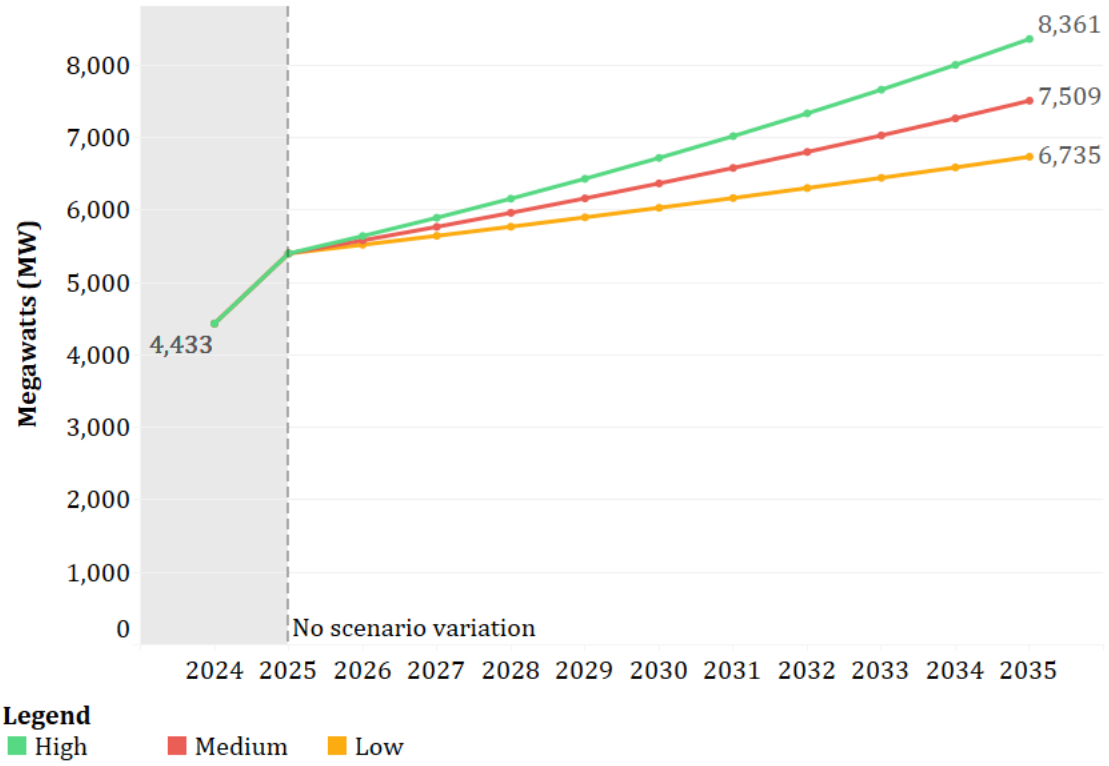
In addition to researching public announcements of renewable projects and power purchase agreements, the Agency also completed analysis to extrapolate potential compounded annual growth rates ("CAGR") of solar and wind project development based upon historically available data. The analysis subtotaled projects into two categories: (1) solar vs. wind projects, and (2) tech-company driven projects vs. non-tech company driven projects. Data compiled from 2020 through 2025 found an aggregate CAGR of 47% for solar and 7% for wind; after excluding tech companies, the results have a lower CAGR with ~~Utility-Scale Wind and Utility-Scale Solar Projects~~31% for solar and 6% for wind. The Agency used these statistics to derive statistics on projects that could potentially be developed in Illinois but have not yet been announced.

Corporate Entity	Operation Date	Technology	Capacity Under Agreement (MW)	Estimated Full Output (MWh)
Amazon	2022	Solar	100	210,240
Amazon	2023	Wind	54	159,706
Amazon	2023	Solar	90	189,216
Cargill	2020	Solar	200	420,480
Mars, Inc.	2021	Wind	121	357,829
McDonald's	2023	Wind	126	372,647
Meta	2021	Wind	175	517,565
St-Gobain	2021	Wind	120	354,902
T-Mobile	2020	Wind	158	467,287
Verizon	2020	Wind	130	387,192
Verizon	2022	Solar	152	319,985

Finally, the Agency researched the growth rate of data centers in Illinois to determine potential renewable energy project development that would be used support of those data centers. While firm statistics on data center growth is continuously evolving, the Agency used a low-medium-high case analysis (2.23% CAGR, 3.35% CAGR, and 4.47% CAGR) to derive the potential demand growth (MWs) for data centers. Figure 6-2 below provides a summary of the potential aggregate data center demand growth by year. Not all data centers are expected to enter renewable energy projects or associated PPAs; as such, the Agency used a discount rate of 25% and 13% for wind and solar PPA development,

respectively. The final statistics were compared to the already identified projects (see Table 6-1 and those extrapolated using average renewable project CAGRs as discussed above), with any gaps (i.e. under-represented potential project growth driven by data center development) added into the final analysis.

Figure 6-2: Estimated Data Center Demand (MW) Growth



In summary, the Agency found that between 3.3 and 3.5 GW of new wind projects and 2.5 and 3.4 GW of new solar projects could be developed through commercial and industrial entities in 2026 through 2028, leading to a potential Illinois-wide renewable project development range of 5.8 to 6.9 GW. This translates to estimated REC development of between 3.6 million and 6 million—with the low level (3.6m) assuming new project development is below the potential target, and the high level(6m) forecasting that nearly all of the projected projects would be developed and would submit applications for participation in a forthcoming program year of the self-direct program.

Based upon the analysis completed, the Agency proposes to preliminarily set the 2026-2027 program size at 5.5 million RECs. This appropriately balances the current uncertainty associated with the analysis completed—including the potential lack of public project development announcements and estimates in project growth rates—while increasing the year-over-year program size target to support prospective project development and subsequent participation in the Self-direct Program.

6.6.2 Establishing Program Size for Future Delivery Years

The Agency ~~plans to evaluate the studies and~~ will refresh the self-direct program size for each future delivery year. Determining future years' program size will be guided by the ~~data available from~~ methodology described in the ~~sources discussed above~~preceding section, including ~~any updates to~~

~~the studies and~~the incorporation of updated data sets, public announcements of projects and contracts, or other related data~~, to produce its annual Large Customer Self-Direct RPS Compliance Program Size report, which will include an assessment of~~ or information to improve the ~~large C&I customer renewable energy market and estimates~~accuracy of the ~~number of RECs expected to be available from eligible C&I customers each year.~~prospective market.

As outlined above in Section 6.6, the Agency will set the program size for the ~~2024-25 program year~~2026-27 Program Year to ~~4~~5.5 million RECs~~,~~ and will evaluate additional changes for the ~~2025-26 program year~~2027-28 Program Year based on updates to the self-direct program size report, demonstrated interest in the ~~2024-25 program year~~2026-27 Program Year, anticipated interest in the ~~2025-26 program year~~2027-28 Program Year, and RPS budget management considerations. The next updated program size report, for the determination of the ~~2025-26~~2027-28 program size, will be published no later than January 15, ~~2025~~2027, and followed by a brief stakeholder comment period. The Agency will announce the program size for the ~~2025-26 program year~~2027-28 Program Year no later than February 1, ~~2025~~2027.

The Agency established a dedicated page on its website for self-direct program information[410] and will consider developing additional materials about the program to encourage participation in the self-direct program and provide insight to the processes outlined in this Chapter.

6.6.3 Selecting Between Competing Applications

Section 1-75(c)(1)(R)(3) provides that "[i]f demand for participation in the self-direct renewable portfolio standard compliance program exceeds availability, the Agency shall ensure participation is evenly split between commercial and industrial users to the extent there is sufficient demand from both customer classes." This requirement contemplates that self-direct program applications will not be reviewed and approved on a rolling basis, but instead will feature an application window during which all applications are reviewed and determinations about selection – such as application of this C&I balancing requirement – will be made at the conclusion of that window closing. As explained later in this Chapter, the Agency has created its application process in accordance with this structure.

If the Agency receives more qualifying applications than program capacity can support, priority shall be offered to ensure equal participation between commercial customers and industrial customers. Thus, if program size is 100x, and the Agency has received 70x of qualifying commercial customer applications and 50x of qualifying industrial applications, then the 20x of applications not selected should be taken from the commercial customer segment.

However, this does not provide direction for how to choose between competing applications *within* those categories. Consistent with the 2022 and 2024 Long-Term ~~Plan~~Plans, the Agency will apply the following approach to application selection should qualified applications exceed self-direct program capacity:

First, the Agency will select applications in a manner consistent with the statutorily-mandated C&I balancing requirement—thus, if less than half of the program size is met through commercial or industrial customers, then all applications within that category will be considered selected. If both categories have applications exceeding 50% of program capacity, then applications shall be selected within a category consistent with the following paragraphs.

[410] See https://ipa.illinois.gov/renewable-resources/self-direct-program.html.

Next, customers with the highest percentage of RECs sourced from facilities located in Energy Transition Community Grant areas will be given preference. This approach will help support communities impacted by the closure of coal mines, fossil fuel plants, and nuclear plants and provide the commensurate employment opportunities that come from project development. This approach aligns the self-direct program with Section 1-75(c)(1)(P) of the IPA Act's prioritization of support for those communities.

To choose between any remaining applications *within* a given category (for instance, if no customer's projects are located in Energy Transition Community Grant areas), the Agency shall give priority to those applications that demonstrate the highest percentage of qualifying RECs being retired relative to that customer's usage from the previous delivery year.

Lastly, priority will be provided based on the total number of RECs planned to be procured and retired annually under the application.

Projects not selected will be placed on an ordinal waitlist ranked in accordance with the criteria above. Those projects will be required to reapply for consideration for the next program year, but once qualified, will be provided top priority in selection for that year.

6.7 Self-Direct Program Application Process

Section 1-75(c)(1)(R)(5) provides a minimum series of items required to be included on a customer's application, as outlined below:

> (i) the customer's certification that, at the time of the customer's application, the customer qualifies to be a self-direct eligible customer, including documents demonstrating that qualification;
>
> (ii) the customer's certification that the customer has entered into or will enter into by the beginning of the applicable procurement year, one or more bilateral contracts for new wind projects or new photovoltaic projects, including supporting documentation;
>
> (iii) certification that the contract or contracts for new renewable energy resources are long-term contracts with term lengths of at least 10 years, including supporting documentation;
>
> (iv) certification of the quantities of renewable energy credits that the customer will purchase each year under such contract or contracts, including supporting documentation;
>
> (v) proof that the contract is sufficient to produce renewable energy credits to be equivalent in volume to at least 40% of the large energy customer's usage from the previous delivery year, measured to the nearest megawatt-hour; and
>
> (vi) certification that the customer intends to maintain the contract for the duration of the length of the contract.

The Agency believes supporting documentation demonstrating (i) through (v) includes a combination of customer billing information (which is already required under Section 1-75(c)(1)(R)(3)) and the contract through which the customer will procure RECs, with the applicant customer having the option of redacting any confidential, non-essential information. As Section 1-75(c)(1)(R)(5)(ii) contemplates situations where the customer merely "will enter into" such

contracts "by the beginning of the applicable procurement year," a term sheet coupled with certification may be adequate to satisfy this requirement for initial application, but participation will be contingent on a binding REC delivery contract being provided to the Agency at least one month in advance of the start of the delivery year.

Additionally, a customer must include with its application copies of documentation demonstrating that the project was constructed in compliance with the labor and diversity, equity, and inclusion requirements outlined in Section ~~6.3.3 above.~~6.3.3 above.

If delivery to the customer occurs through an intermediary, such as an alternative retail electric supplier, the applicant must certify that (1) sufficient quantities of RECs will be delivered from qualifying facilities across the minimum contract term and (2) the contract identifies the specific project(s) from which the RECs will be sourced.

For purposes of demonstrating common corporate parent status, the Agency will accept tax identification numbers as one form of acceptable proof. Alternative proof for meeting this requirement and other requirements may be considered on a case-by-case basis, but in all cases must be accompanied by a certification from a senior officer of the applicant customer.

For confidential, proprietary, and/or competitively or commercially sensitive information essential to determining whether the project, customer, or contract qualifies for the program, applicants may submit redacted versions of documents as outlined above. To be protected from disclosure under the Illinois Freedom of Information Act, any such redactions must constitute "[t]rade secrets and commercial or financial information . . . where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged, or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business."[411] As the disclosure of basic customer and project information cannot constitute "commercial or financial information" that "would cause competitive harm" if disclosed, the IPA will not entertain blanket confidentiality claims on the entirety of the application (but may on individual documents within an application, where appropriate). As required under Section 1-120 of the IPA Act, the Agency "shall provide adequate protection for confidential and proprietary information furnished, delivered, or filed by any person, corporation, or other entity," as the Agency presently does for confidential and redacted documents that it routinely receives in conducting competitive procurement events.

Application forms and guidance regarding acceptable supporting evidence and documentation were developed prior to the opening of the self-direct program in 2023. These materials will be modified ~~as required to be consistent with the Commission's approval of~~for development this ~~2024~~2026 Long-Term Plan.

6.8 Self-Direct Program Application Timeline

Section 1-75(c)(1)(R) requires that the self-direct RPS compliance program "shall take effect in the delivery year commencing June 1, 2023." The IPA understands this to mean that customer participation will begin as of June 1, annually, and thus that applications are required to be received across the months preceding that start date each year.

[411] 5 ILCS 140/7(1)(g).

Consistent with the schedule for the initial opening of the self-direct program approved under the 2022 Long-Term Plan, the IPA will use the following timeline for annual applications to the self-direct program:

- ~~January 31, 2024~~February 20, 2026: Publication of proposed bill-crediting rate for the ~~2024-2025 delivery year~~2026-2027 Delivery Year
- February ~~26, 2024~~27, 2026: Publication of application forms for the ~~2024-25 delivery year~~2026-27 Delivery Year consistent with the Commission's Order approving the ~~2024~~2026 Long-Term Plan
- February ~~26, 2024~~27, 2026-April ~~2, 2024~~3, 2026: Application window ~~2024-25 delivery year~~2026-27 Delivery Year
- March ~~8, 2024~~16, 2026: Submission of compliance filing for credit rate for ~~2024-25 delivery year~~2026-27 Delivery Year
- April ~~23~~-30~~, 2024~~, 2026: IPA reviews applications, makes program participation determinations, and communicates determinations to both applicants and applicable electric utilities
- May 31, ~~2024~~2026: Conclusion of ~~2023-24 program year~~2025-26 Program Year
- July 30, ~~2024~~2026: Deadline for ~~2023-24~~2025-26 self-direct participants to submit annual compliance reports
- ~~As outlined above, the IPA provided its compliance filing to the Commission on March 8, 2024 to establish a credit rate for the 2024-25 delivery year.~~

6.9 Compliance Reporting

Section 1-75(c)(1)(R)(3) provides that participating self-direct customers "shall file an annual compliance report with the Agency pursuant to terms established by the Agency through its long-term renewable resources procurement plan to be eligible for participation in this program." The self-direct customers participating in the program will be required to file an annual compliance report within 60 days after the conclusion of each delivery year of the program with the Agency in order to remain eligible. This compliance report will provide updated information including:

1. The actual number of RECs retired in connection with the program for the self-direct ~~customer~~customer's consumption over the previous delivery year;
2. Documentation of the retirement of RECs from the approved project;
3. The actual energy usage at the facilities participating in the program during the previous delivery year, based on the utility accounts of participating customers;
4. The total energy or RECs supplied to the self-direct customer by the renewable resource projects; under the self-direct customer's relevant contract(s) for the previous delivery year; and
5. Any modifications or amendments to the contracts with renewable resource projects.

The Agency understands that some of the information contained within the compliance report may be considered commercially sensitive and/or proprietary, especially the actual energy usage of participating customers. Any information submitted to the IPA on the compliance report which a customer considers to be confidential and proprietary should be designated as such in the report. As explained in Section ~~6.7 above,~~6.7 above, the Agency will "provide adequate protection for confidential and proprietary information furnished, delivered, or filed by any person, corporation, or other entity" as required under Section 1-120 of the IPA Act.

Section 1-75(c)(1)(R)(6) provides that "[i]f a customer receives the self-direct credit but fails to properly procure and retire renewable energy credits as required under this subparagraph (R), the Commission, on petition from the Agency and after notice and hearing, may direct such customer's utility to recover the cost of the wrongfully received self-direct credits plus interest through an adder to charges assessed pursuant to Section 16-108 of the Public Utilities Act." Should a customer fail to submit its required annual compliance report, or should that annual compliance report not demonstrate compliance with program requirements, the IPA may invoke this provision and petition the Commission to order the utility to claw back wrongfully received self-direct credits from the non-compliant entity. Additionally, as also envisioned under Section 1-75(c)(1)(R)(6), the Agency may bar such entities from continued participation in the program.

All RECs qualifying for the program must be retired by or on behalf of the self-direct customer as verified by the appropriate REC tracking system, either ~~PJM Generation Attribute Tracking System (PJM-GATS) or the Midwest Renewable Energy Tracking System (~~GATS or CleanCounts (formerly M-RETS).

~~As the first annual compliance reports will not be required to be filed with the Agency until the summer of 2024, the Agency will provide additional guidance on compliance reporting closer to the date by which those reports must be filed.~~

7. Illinois Shines (Adjustable Block Program)

7.1 Background

Sections 1-75(c)(1)(K) and (L) of the IPA Act ~~requires~~require the Agency to administer an Adjustable Block Program for the procurement of RECs from new photovoltaic distributed generation systems and from new photovoltaic community renewable generation projects (colloquially known as "community solar"). The Adjustable Block Program stands in contrast to the competitive procurements described in Chapter 5, in that the Program features administratively determined prices for RECs and ~~with~~ enrollment on an ongoing basis, rather than featuring discrete procurement events with competitively set, pay-as-bid prices.

The Program's statutorily-defined name is the "Adjustable Block Program." However, as of Spring 2023, the Program transitioned to primarily using the name "Illinois Shines." This change in nomenclature allows increased clarity for Program participants and consumers, making the Program more approachable and easier to understand.

7.1.1 Program Launch Under P.A. 99-0906

The Adjustable Block Program, as initially created by P.A. 99-0906, was intended to support new photovoltaic distributed generation and community solar projects throughout Illinois.

In developing the initial structure of the Adjustable Block Program, the Agency reviewed experiences from other jurisdictions[412], what the Agency learned from previous procurements it had administered prior to the enactment of P.A. 99-0906, and feedback the Agency received from stakeholders. For issues that are not expressly addressed in the Act, the Agency made decisions regarding implementation that it believed would result in a cost effective and successful program, with those decisions then vetted (and, in some cases, modified) through the Commission's Long-Term Plan approval process in Docket Nos. 17-0838 and 19-0995.

As initially designed, the Adjustable Block Program featured an approach that was open on an ongoing basis, rather than relying on specific procurement events (or application windows). The established process (which remains in place today) requires participants, known as Approved Vendors, to submit applications to obtain a REC Contract to support the development of qualifying projects, which are then eligible to begin receiving incentives in the form of REC Contract payments following verification that the project is energized and complies with Program requirements. The Program accommodated both distributed generation and community solar project applications, so that homes and businesses that cannot place solar on their property can nonetheless participate in, and benefit from, direct access to renewable energy. The Program featured three categories: Small DG, Large DG, and Community Solar.

The Program initially opened in January 2019. Community solar blocks were quickly filled after Program opening. As a result, community solar blocks did not remain open and did not go through a declining block progression as planned. After capacity was awarded through a random selection process, remaining community solar project applications (and any new applications submitted) were placed on lengthy waitlists. Additionally, the community solar projects that were developed through

[412] A summary of those other programs is available in Appendix C of the Initial Plan available at: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/2018procurementplan/ltrrpp-filed-appendix-c-review-other-programs.pdf.

this block category lacked diversity – projects tended to be sized at the maximum permissible under the Program, sited on greenfield or agricultural lands located away from population centers, and created a transactional subscription experience, rather than the community-based, diverse projects that many hoped and expected to see with the passage of P.A. 99-0906.

Both the Small and Large Distributed Generation blocks were filled thereafter, exhausting capacity by December 2020. Funding limitations created long waitlists for distributed generation and community solar projects.

Until the passage of P.A. 102-0662, the Program overall faced a challenge in the form of the lack of RPS funding across 2020 and 2021, which stemmed in part from the inability to roll over RPS collections under Section 16-108(k) of the PUA, with that challenge further compounded by energization delays attributed to the COVID-19 global pandemic. Absent sufficient funds, the Program could not open additional blocks of capacity to serve the market and support additional projects without a legislative fix.[413] The enactment of P.A. 102-0662 in September 2021 resolved some of these challenges, ~~through~~ providing sufficient funding to support new project applications, and ~~required~~requiring the Agency to open new blocks of annual capacity under a largely revised Program model.

7.1.2 Program Modifications Under P.A. 102-0662

The enactment of Public Act 102-0662 provided a resolution of the funding issue in addition to many other changes outlined in Chapter 2. Changes to the IPA Act under P.A. 102-0662 impacting the Program included new Program categories for community-driven community solar projects, public school projects, and projects developed by Equity Eligible Contractors; each of these will be discussed in depth in later sections of this Chapter. The shift to an annual block structure, through which blocks open annually at a set price rather than with a new block opening upon capacity being filled, likewise constituted a shift. In addition, entities participating in the Program must comply with the provisions of the Equity Accountability System described in Chapter ~~10~~10 starting with project applications submitted to the Program on or after June 1, 2023.

One of the primary changes was to the Program's scale resulting from budget changes to the Renewable Portfolio Standard, which is discussed in depth in Chapter ~~3.~~3. Section 1-75(c)(1)(C) of the IPA Act targets approximately 12,375,000 RECs delivered annually to be procured from new Adjustable Block Program projects by 2030, necessitating perhaps up to 7,000 megawatts of new distributed generation and community solar capacity.

Below a list of key statutory or administrative updates to the Program resultant from P.A. 102-0662:

- Changes to the threshold project sizes for the Small and Large Distributed Generation categories, as well as community solar projects
- Development of individual categories for projects located at public schools, community-driven community solar projects, and projects from Equity Eligible Contractors
- New block capacity allocations
- Updated REC prices
- Prevailing wage requirements for non-exempted projects

[413] These challenges were outlined in the Agency's draft Second Revised Long-Term Renewable Resources Procurement Plan in August 2021.

- Changes to contract payment terms, including a pay-upon-delivery structure for certain project types
- Updated REC Delivery Contracts
- Compliance with the Equity Accountability System and associated requirements for Program participants

Each of these items will be discussed in depth later in this Chapter.

Despite past challenges, the Program has been largely successful ~~overall~~since its inception, leading to the energized or planned development of over ~~1,600~~3,000 MW[414] of new solar generation ~~in~~throughout Illinois thus far. Projects built as a result of participation in the Program are generally geographically diverse, with projects spread across the state.[415] Additionally, there are over ~~500~~350[416] active Approved Vendors available to support Illinois residents and businesses develop solar and subscribe to community solar projects through the Program.

~~1.1.1. Adjustable Block Program Rebranding~~

~~To date, the Program has been known under two names: the Adjustable Block Program, which is the Program's statutorily-defined name (used by participating entities, utilities, community organizations, and others), and Illinois Shines (used primarily for interactions with the general public). The statutory name of the Program indicates the process for filling capacity under which the Program was originally designed: blocks of capacity with progressively downward-stepping REC prices. This name, however, was not intuitive or easily understood by the general public, and therefore the Agency and Program Administrator utilized the Illinois Shines name with the general public, including through the use of two separate websites for the two separate audiences, each under different names. With the switch to annual blocks of capacity and the elimination of the declining block structure as a result of the changes in P.A. 102-0662, the Agency has transitioned to primarily referring to the Program by its public-facing name, Illinois Shines. This change in nomenclature brings increased clarity for Program participants and customers alike by making the Program more approachable and easier to understand.~~

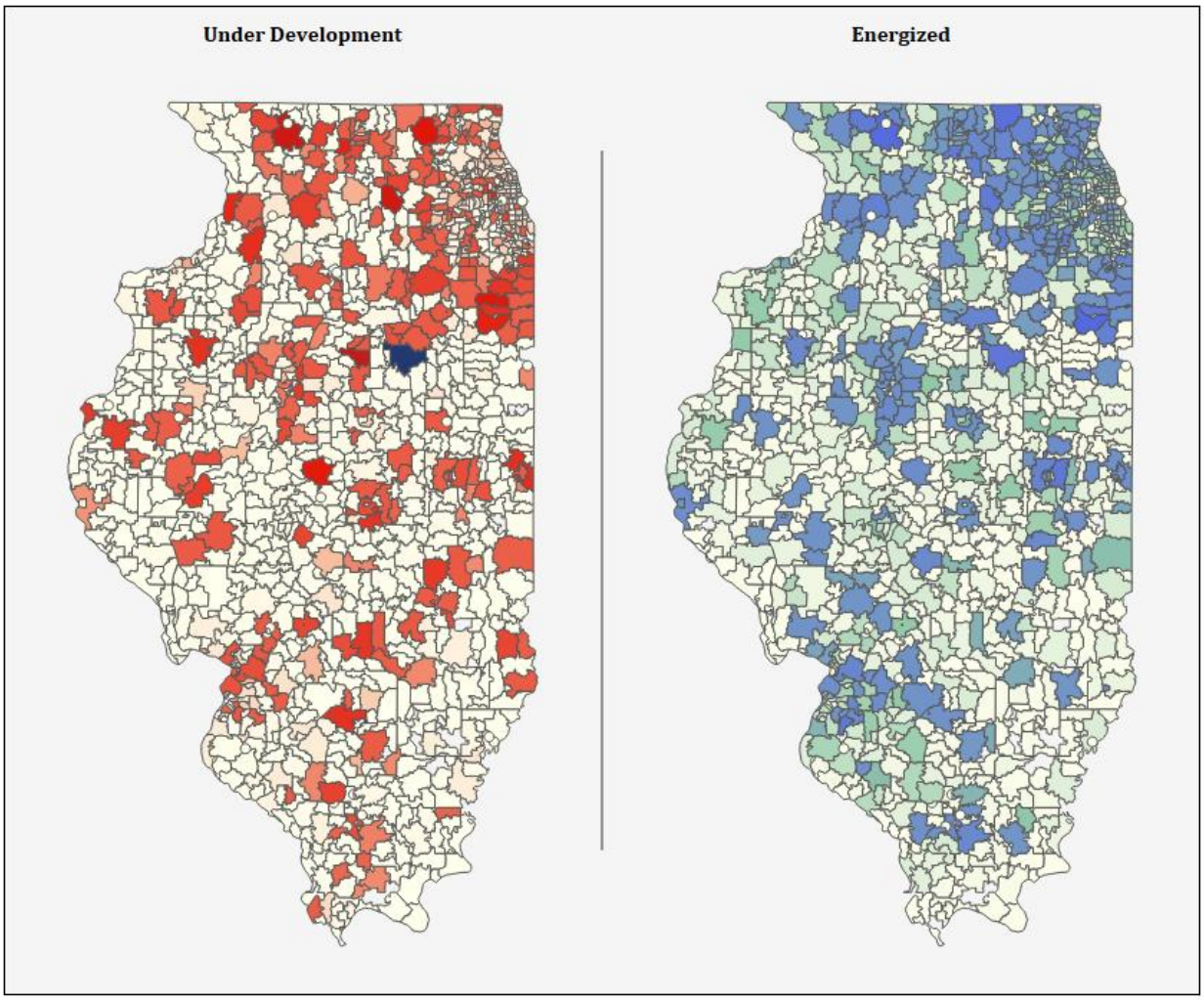
~~This brand refresh was announced in Spring 2023 and the process of its implementation continues as of the publishing of this Plan. The brand's appearance is being modernized with a visual update, including a new logo featuring the sun shining on a stylized solar panel, an updated and expanded color palate, a modern typeface, supporting artwork and iconography, a single, integrated website for both Program participants and customers, and more. The new branding reflects the Program's promise to consumers, participants, and other stakeholders who are committed to the growth of an equitable, clean energy economy throughout Illinois. This is also reflected in the Program's new tagline, Building Our Solar Future.~~

[414] This total includes ICC Approved Applications and Energized projects as of June 30, 2025.

[415] See a map of all Illinois Shines projects here: https://illinoisshines.com/project-map/

[416] Though Illinois Shines ~~has 575~~had 850 Approved Vendors as of August 6, 2025, the number of those that are actively participating is ~~slightly~~significantly fewer given that this number includes Single Project Approved Vendors and suspended entities. Importantly, entities are often reinstated after curing their reason for suspension – as such, the number of active Approved Vendors reasonably reflects the total network of entities participating in the Program.

Figure 7-1:Illinois Shines Projects Across the State by ZIP Code

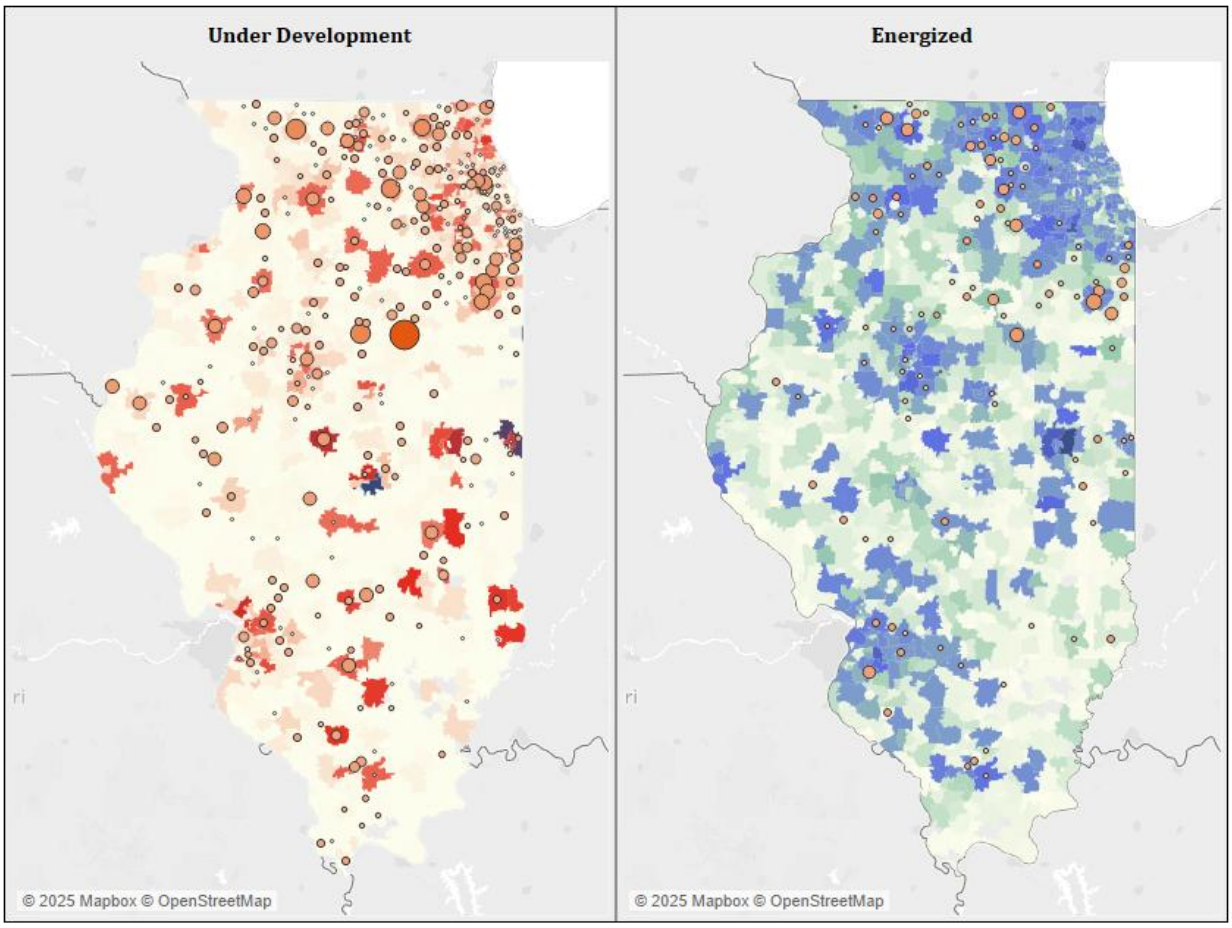


Source: Report #2, ICC-approved Part 1 Applications, Illinois Shines, Illinois Power Agency (August 2025)

Source: Report #3, Part 2 of Project Application Complete, Illinois Shines, Illinois Power Agency (August 2025)

Note. In Illinois, the average zip code has 2,390 kW AC of capacity from Energized and Under Development Distributed Generation and Community Solar projects. The color scales are centered on this value.

Figure 7-2: Illinois Shines Projects Across the State by ZIP Code (CS and DG Detail)



Source: Report #2, ICC-approved Part 1 Applications, Illinois Shines, Illinois Power Agency (August 2025)

Source: Report #3, Part 2 of Project Application Complete, Illinois Shines, Illinois Power Agency (August 2025)

Note. Circles representing Community Solar projects do not indicate exact project locations but are placed at the center of their respective zip codes.
Note. In Illinois, the average zip code has 1,101 kW AC of capacity from Energized and Under Development Distributed Generation projects, and the average Community Solar project has 2,507 kW AC of capacity. The color scales are centered on these values.

7.2 Program Administrator

Section 1-75(c)(1)(M) of the Act authorizes the Agency to "retain one or more experts or expert consulting firms to develop, administer, implement, operate, and evaluate the Adjustable Block program." The Program Administrator selection process is expressly exempted from the Illinois Procurement Code.[417] The process for selection of a Program Administrator begins with a Request for Qualifications to identify qualified bidders. Following the identification of qualified bidders, the

[417] 20 ILCS 3855/1-75(C)(1)(M).

Agency then issues a Request for Proposals to those qualified entities.[418] After the review, evaluation, and scoring of received proposals, the Agency selects a Program Administrator and submits the Program Administrator contract to the Commission for approval. Following Commission approval of the contract, the Agency executes an agreement with the selected Program Administrator.

The first Program Administrator was selected utilizing this process in 2018. On July 21, 2021, the Agency issued a new Request for Qualifications for a Program Administrator for the Program in anticipation of the passage of legislation that became P.A. 102-0662.[419] The Agency then issued a Request for Proposals to the three qualified respondents to the Request for Qualifications on October 25, 2021, with responses due on December 20, 2021. After the review, evaluation, and scoring of proposals, and consultation with the Staff of the Illinois Commerce Commission, the IPA selected Energy Solutions, Inc. ("Energy Solutions") to serve as the next Program Administrator for the Program. The Commission formally approved the execution of a contract between the Agency and Energy Solutions on April 21, 2022. The previous Program Administrator's contract to serve as Program Administrator ended on June 30, 2022; since that time Energy Solutions has operated as the Program Administrator.

The Program Administrator runs the day-to-day operations of the Illinois Shines Program. This includes, but is not limited to:

- Assisting the Agency with Approved Vendor and Designee registration and training
- Developing Program requirements via the Program Guidebook, Consumer Protection Handbook, and other programmatic materials
- Establishing and maintaining an online portal for Approved Vendors to submit projects (including providing technical support to Approved Vendors and Designees) and collecting application fees
- Maintaining an online dashboard to show status of block capacity
- Reviewing and ~~approving~~verifying submitted ~~projects~~project applications
- Preparing contracts for Commission review and utility execution
- Ongoing monitoring of project development status
- Critically evaluating Program performance to identify opportunities of improvement and expansion
- Verifying completion of projects and the processing of approvals for ~~payments~~payment of incentives, as well as conducting on-site inspections for quality assurance purposes
- Reviewing Annual Reports submitted by Approved Vendors
- Providing information for the public including developing a Program brand, maintaining an online list of Approved Vendors and Designees, and educational materials related to the Program
- Assisting in workforce development efforts to the extent feasible
- ~~Verifying compliance with~~Ensuring proper prevailing wage ~~requirements~~documentation is submitted where applicable
- Implementing and enforcing the Program's consumer protection requirements and providing assistance to Illinois residents and businesses through the Program's consumer complaint center.

[418] This process generally follows the process contained in Section 1-75(a)(1)-(5) that the Agency has used to select its Procurement Administrator and Procurement Planning Consultant.

[419] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents//rfqabpprogramadministrator2021.pdf.

The Agency's 2022 Long-Term Plan expanded the Program Administrator's role by establishing a mentorship~~/~~ and training program for new Approved Vendors and Designees that are minority-owned, woman-owned, veteran-owned, disability-owned or considered a small business ~~with the goal~~. It is also available to all Equity Eligible Contractors participating in the Program.[420] The goal of the mentorship and training program is to help those new Program participants learn about Program requirements and application procedures~~. This mentorship and training program is currently being finalized by the Program Administrator, with expected release in Fall 2023. This mentorship and training program will also be available to all Equity Eligible Contractors participating in the Program.[421] The~~ , reducing prospective barriers to entry for the new Program participants.[422] The Program Administrator ~~will assign a dedicated staff person to each new Approved Vendor or Designee who qualifies for this mentorship/training program~~works with mentees to provide ~~them technical~~ assistance and to provide introductions and connections to their sector strategist. Mentors serve from established ~~entities.~~ companies who have been vetted by the Program Administrator and are able to provide Program insights, advice, and valuable feedback to mentees

A pilot Mentorship Program was introduced in October 2023 for a cohort of 12 mentees. Following the pilot, the currently effective annual mentorship and training program was introduced in the 2024-25 Program Year and included 20 mentees and 11 mentors. The Mentorship Program has been well received, and as a result in the 2025-26 Program Year it will be expanded to two cohorts per year.[423]

The Agency recognizes the significant contribution that mentors provide through this program, and is focused on ensuring effective and sustained mentor engagements through meaningful recognition of the service of the mentors in the Mentorship Program. As such, the Agency is committed to exploring mechanisms to provide non-monetary incentives for mentors, and is interested in stakeholder feedback around what incentives may help produced sustained mentor engagements.

The Program Administrator is authorized to charge fees to Approved Vendors for processing applications, as described in Section ~~7.10.2~~7.10.2. The Program Administrator operates under a contract with the Agency and may, with approval by the Agency and acquiescence of the utilities, also be reimbursed directly by the utilities for a portion of the cost of the services provided to them including, but not limited to, the preparation of contracts and review of Annual Reports.

Program Administrator costs, other than those covered by fees collected directly by the Program Administrator from Approved Vendors, are considered part of the administrative costs discussed in Chapter 3. The Program Administrator may not be an Approved Vendor.

For this Chapter, all references to the Program Administrator refer to the Program Administrator for Illinois Shines. Discussion of the Program Administrator for the Illinois Solar for All program can be found in Chapter 8.

[420] See Final Order at 71, ICC Docket No. 220231 (July 14, 2022).

[421] ~~See Final Order at 71, ICC Docket No. 22-0231 (July 14, 2022).~~

[422] See https://illinoisshines.com/mentorship-program/.

[423] See https://illinoisshines.com/wp-content/uploads/2025/06/Illinois-Shines-2024-25-Mentorship-Program-Final-Report.pdf.

7.3 Block Structure

7.3.1 ~~Background~~ – on Initial Program Design~~, Declining Price Blocks Based on Capacity~~ and Current Program Size

The ~~core of the Program is the concept of a "block." Prior to the passage of Public Act 102-0662, the Program delineated incentives for various categories of eligible projects using blocks of generation capacity at certain prices per REC levels. The blocks were intended to create a progression from one price level to another based on the response of the market. A strong response from the market results in a rapid progression to a lower price level, for example, while a weak response could elicit an increase in incentives if determined to be necessary. The progression from one level (or "block") to another was triggered by a certain volume of proposed capacity through approved project applications, not by a time-based deadline.~~

original Program structure revolved around the concept of "blocks" of generation capacity, in which there was a set progression in the price levels for RECs based on the block open at the time of application submission.[424] The original target for the Program under P.A. 99-0906 was for 1,000,000 RECs delivered annually by the end of the 2020-21 delivery year (i.e., May 31, 2021).[425] Using a capacity factor of 17%,[426] this calculation resulted in approximately 666 MW of new photovoltaic generation to be allocated across Program categories and blocks. In order to achieve 1,000,000 RECs delivered annually by May 31, 2021, the Initial Long-Term Plan featured a block structure that allocated three blocks per category to meet the (then-effective) statutory target for this Program (i.e., 1 million RECs per year by the end of the 2020-21 delivery year) and included a provision to allocate discretionary capacity (as discussed below) to categories through the opening of a Block 4 for each category determined to warrant additional capacity.

Since the Program's launch, the Agency has generally allocated incentives into two groups by service territory/geographic category, based upon utility load forecasts.[427] In developing the Initial Long-Term Plan, the Agency considered a separate Group for the service territories of MidAmerican, Mt. Carmel Public Utility, rural electric cooperatives, and municipal utilities. However, the Agency decided to consolidate these territories into two Groups, given their small share of the load in Illinois. By consolidating these service territories into the larger Groups, block sizes are administratively manageable, and prices became more transparent and easily understood.

- **Group A:** for projects located in the service territories of Ameren Illinois, MidAmerican, Mt. Carmel Public Utility, and rural electric cooperatives and municipal utilities located in MISO.

[424] Prior to the passage of Public Act 102-0662, the Program delineated incentives for various categories of eligible projects using blocks of generation capacity at certain prices per REC levels. The blocks were intended to create a progression from one price level to another based on the response of the market. A strong response from the market results in a rapid progression to a lower price level, for example, while a weak response could elicit an increase in incentives if determined to be necessary. The progression from one level (or "block") to another was triggered by a certain volume of proposed capacity through approved project applications, not by a time-based deadline.

[425] See Chapter 3 of the Agency's Initial Long-Term Plan for more discussion of this requirement.

[426] This figure used in the Initial Plan was an assumed first-year capacity factor (relative to AC-rated nameplate capacity) for a fixed-mount photovoltaic system prior to any degradation over time.

[427] Using this methodology, the combined allocation for Ameren Illinois and MidAmerican would have been 28.53% and the allocation for ComEd would have been 71.47%. For simplicity, these were rounded to 30% and 70% for determining the size of blocks for Group A and Group B, respectively. These Group distinctions are used in some categories in the Program for capacity allocation and for REC prices.

- **Group B:** for projects located in the service territories of ComEd, and rural electric cooperatives and municipal utilities located in PJM.

While the Program Administrator attempts to allocate REC delivery contracts with the electric utility in whose service territory the project was located (where applicable, as the IPA lacks authority to procure REC contracts on behalf of municipal utilities or rural electric cooperatives), in order to allocate RECs proportionately among Ameren Illinois, ComEd, and MidAmerican to meet their RPS obligations, that is not always possible.

As discussed in greater detail in Chapter 3, through this 2026 Plan, the Agency seeks to further increase the Illinois Shines Program annual program size. The Program size increase is reflective of a substantial increase of utility load forecasts that translates to a higher RPS Goal and the need to contract for a greater quantity of RECs, with a further preference to partially frontload those awards to a Program Year in which ITC utilization may be achievable. As summarized in Chapter 3, utility load forecasts evolved over time. For example, comparing the load forecasts from the 2024 Long-Term Plan to July 2025, ComEd and Ameren project 22% higher loads by 2030-31. By 2040-41, ComEd's new forecast shows a 101% increase over its projection in 2024 Long-Term Plan. As a result of this load forecast increase, the Agency has increased procurement and Program targets that will be needed to achieve the RPS goals and targets defined in the IPA Act, resulting in the proposed increased in the Illinois Shines program capacity from 800 MW to 1,200 MW in 2026-27 and 1,000 MW in 2027-28.

7.3.1.1 Group A Oversubscription Challenges and Solutions

Since the Program's launch, the Group A Small Distributed Generation and Large Distributed Generation categories ~~have~~had run out of available capacity at a faster rate than the same categories in Group B. The Agency strives for a transparent and uninterrupted market for solar development statewide, and seeks to ensure that developers in the geographic region represented by Group A are able to participate in the Program with clarity around available capacity for future Program years. Therefore, as determined in the final 2024 Long-Term Plan and beginning with the 2024-25 Program Year, the Agency implemented a series of methods to remedy observed unsteadiness and unpredictability in capacity availability in the Program, which included:

~~In the draft 2024 Long-Term Plan published on August 15, 2023, the Agency posed several solutions to the Group A oversubscription challenges experienced in recent Program Years. The IPA Act requires the Illinois Shines program to be "generally designed to provide for the steady, predictable, and sustainable growth of new solar photovoltaic development in Illinois."[428] The Agency and the market recently have observed unsteady and unpredictable capacity availability in the Program, toward this end the Agency seeks to remedy this unsteadiness and unpredictability through employing the following methods.~~

i. Elimination of the distinction between Group A and Group B for Small DG and Large DG blocks
ii. Increase of the overall Program size, thus resulting in larger Small DG and Large DG blocks
iii. Adjust the prioritizations for uncontracted capacity at the close of the Program Year

~~[428] 20 ILCS 3855/1-75(c)(1)(K).~~

iv. Prioritize distributed generation projects within the Public Schools and Equity Eligible Contractor categories
v. Institute a price adjustment cap for changes to REC prices for waitlisted projects

The Agency ~~believes that employing~~employed these five solutions (described further below) in concert ~~will~~in order to provide maximum benefits to Program participants with minimal impact to ~~budgets~~budget. In approving ~~this~~the 2024 Long-Term Plan, the Commission agreed and explicitly approved the adoption of these "five reforms to address uneven subscription for the 2024 [Long-Term Plan]."[429] As discussed below, these reforms were largely successful in reducing the instability of these categories and in improving overall program participation and operability.

Eliminating the distinction between Group A and Group B for the Small DG and Large DG blocks

Beginning with the 2024-25 Program Year, the Agency ~~will remove~~removed the Group A and B capacity split from the Small Distributed Generation and Large Distributed Generation Program categories. Groups A and B for other categories ~~will retain~~retained the traditional 30%/70% allocation utilized since Program inception. ~~The removal of the Group A and B split in the distributed generation categories will remain in place under all Program Years governed by this~~ The Agency observed positive effects from removing this distinction in the 2024 ~~Long-Term Plan.~~

-25 Program Year, where capacity in the Small DG and Large DG categories remained available longer than in previous Program Years. Small DG capacity remained available nearly the entire Program Year, until May 6, 2025, and Large DG capacity was available for the entirety of the Program Year. This has resulted in the intended outcome of steadily available capacity throughout the program year. The Agency does not feel that it is appropriate to ~~continue to retain~~reimplement the Group A and Group B distinctions for the Small and Large Distributed Generation categories given ~~that the market continues to signal that there is demand for more development than currently allowed for with the current percentage split in Group A.~~ the observed success of this measure to date. Therefore, the Agency will maintain the removal of the Group A and B split in the distributed generation categories under all Program Years governed by this 2026 Long-Term Plan.

~~This approach allows for additional capacity to potentially support additional Group A Small DG and Large DG projects without significant resultant RPS budget impacts and without altering the statutory balance between categories outlined in Section 1-75(c)(1)(K)(i)-(vii).~~

As this change ~~is meant~~was developed to enable more capacity for distributed generation projects statewide, removing group capacity distinctions will not impact the REC pricing approach taken for Small Distributed Generation and Large Distributed Generation projects. Small Distributed Generation and Large Distributed Generation projects will retain Group A and Group B distinctions for REC pricing only.

Increasing overall Program size to 800 MW annually, thus resulting in larger Small DG and Large DG blocks

[429] Final Order at 37, ICC Docket No. 23-0714 (Feb. 20, 2024).

~~Through~~The 2024 Plan expanded the ~~2022 Plan,~~ annual Illinois Shines Program capacity ~~was set at 667~~to be 800 MW for each Program Year in order to deliver ~~one~~1.2 million RECs annually, as part of an overall goal of procuring 45 million RECs delivered annually from new wind and solar projects by the end of the delivery year 2030 as stated in Section 1-75(c)(1)(C).[430] Of those 45 million RECs, 12.75 million RECs (~28% of the total goal) are ~~to come from~~forecast to originate through the Illinois Shines program. As such, all categories feature capacity allocations proportionate to the percentage-based allocations outlined in Section 1-75(c)(1)(K)(i)-(vi) of the IPA Act and these allocations are intended to take an incremental approach to REC procurement goals between now and 2030. The Agency ~~will increase~~increased the overall capacity of the Program to 800 MW beginning with the 2024-25 Program Year and continued that target for the 2025-26 Program Year.

Section 1-75(c)(1)(K) of the IPA Act instructs the Agency to "strive to issue a single block sized to provide for stability and market growth" for all Program categories each Program Year. ~~The solar market in Illinois is currently exhibiting immense growth, but the Program's categories are not appropriately sized to provide for *stable* growth within the Program.~~ By increasing the overall size of the Program to 800 MW ~~of capacity for each Program Year~~in the 2024 Long-Term Plan, the Agency ~~expects to deliver~~improved the stability of capacity that ~~recent~~ market growth ~~requires~~required to sustain that growth on a continuous basis from Program Year to Program Year. While this total may result in more RECs procured through Illinois Shines than the 50% of all solar RECs outlined in Section 1-75(c)(1)(i), the Agency must procure "at least" those outlined percentages by program/project type and the Agency will not reduce the RECs to be procured from utility-scale solar projects or brownfield site photovoltaic projects.

The Agency believes that another advantage to expansion of overall Program size is the ability to support projects that are ready to be developed now, rather than reserving capacity in order to accomplish REC delivery goals equally across all future years leading up to the statutory goal. The front-loading of capacity in the Program now will hopefully in turn result in an earlier achievement of REC delivery goals. The Agency is therefore able to both achieve REC delivery goals early while providing the stability and predictability necessary to move shovel-ready projects forward on a timely basis and avoid projects languishing on waitlists.

Section ~~7.3.3~~7.3.3 of this Plan details the ~~expansion~~ size for the annual blocks of capacity across all Program categories. The ~~increases~~annual block distributions feature capacity allocations proportionate to the percentage-based allocations outlined in Section 1-75(c)(1)(K)(i)-(vi) of the IPA Act, with slight adjustments to accommodate the statutory mandate to increase the growth of the Equity Eligible Contractor category over time.

[430] Prior to the 2024 Long-Term Plan, the Illinois Shines Program capacity was set at 667 MW for each Program Year.

Adjustment to the prioritizations for uncontracted capacity at close of Program Year

~~In the case that waitlists persist after both the removal of the 30%/70% split for Small Distributed Generation and Large Distributed Generation as well as increasing the overall Program size, the Agency will adjust the prioritization in assigning uncontracted capacity to future Program Years. Reallocation prioritization focused on distributed generation project should~~The reallocation prioritization set in the 2024 Long-Term Plan focused on distributed generation projects in order to further alleviate boom and bust cycles and increase stability for distributed generation projects by providing more capacity to support waitlisted distributed generation projects. Given the increased stability observed in the 2024-25 Program Year and the Agency's determinations regarding overall Program needs, the Agency has made adjustments to the prioritization list for the reallocation of uncontracted capacity at the close of each Program Year. Both Small and Large Distributed Generation remain high on the list, as the first and third categories to receive uncontracted capacity, respectively. The prioritization list is discussed further in Section 7.3.4.

~~This prioritization is discussed further in Section 7.3.4.; for reference, the updated prioritization list for the reallocation of uncontracted capacity at the close of each Program Year is as follows:~~

- ~~Small Distributed Generation~~
- ~~Large Distributed Generation~~
- ~~Equity Eligible Contractors Distributed Generation Subcategory~~
- ~~Public Schools Distributed Generation Subcategory~~
- ~~Community-Driven Community Solar~~
- ~~Equity Eligible Contractors Community Solar Subcategory~~
- ~~Public Schools Community Solar Subcategory~~
- ~~Distributed evenly across remaining categories with outstanding waitlists~~

Prioritize distributed generation projects within the Public Schools and Equity Eligible Contractor categories

In addition to expanding the overall Program capacity, the Agency ~~will prioritize~~prioritized distributed generation subcategories within Equity Eligible Contractor and Public Schools categories through dedicated capacity allocations. In conjunction with the overall expansion of the Illinois Shines program, the Agency ~~believes~~believed this ~~should~~would further alleviate capacity stressors experienced by Program participants in the Small and Large Distributed Generation categories by providing clear pathways for distributed generation projects in other Program categories. The Agency intends to continue this prioritization of distributed generation projects within these categories during the Program Years covered by this 2026 Long-Term Plan to ensure capacity stressors remain relieved. This approach helps maximize the number of Illinois residents and/or businesses that can benefit from the Program by providing numerous avenues for participation to DG projects.

Price adjustment cap for changes to REC prices for waitlisted projects

~~The Agency understands that providing additional capacity is not the only solution required to provide stability and predictability to the Program. The IPA recognizes that Approved Vendors~~

~~require certainty and predictability around REC prices when capacity within the Program or certain categories is exhausted in order for those Approved Vendors to provide realistic financing estimates to their customers. As such, the Agency considers it important to provide solutions that minimize periods of time without available capacity in each Program Year *and* to provide a predictable path forward for Approved Vendors in the case where capacity is depleted prior to the conclusion of the Program Year.~~

~~Beginning with the 2024-25 Program Year, the Agency will employ a REC price adjustment cap of 20% for all waitlisted distributed generation projects, meaning that any distributed generation project that is waitlisted during any Program Year will receive a REC price that is within a 20% differential from REC prices posted for the Program Year in which the project was waitlisted. This adjustment cap will last for one calendar year only. If a project subject to this price adjustment cap remains on a waitlist for over one calendar year, the project will receive the price associated with the block of capacity available when the project is selected off the waitlist. For example, if the REC price for the Small Distributed Generation category for the 0-10 kW AC size band is $60/REC in a given year, then any Small Distributed Generation project that might be waitlisted in that Program Year would be guaranteed receive a REC price between $48/REC and $72/REC, regardless of the REC prices approved for the following Program Year.~~

~~If updated REC prices for the next subsequent Program Year (when the waitlisted project would be selected off the waitlist) fall within this adjustment cap range, the project will utilize the REC price that is posted for that Program Year. If updated REC prices for the next Program Year fall outside the 20% size cap range, the project will receive the edge price of the price adjustment cap. That is, if REC prices within the category drop 30% in the subsequent Program Year when the project is selected off the waitlist, the waitlisted project will receive a 20% lower REC price rather than the 30% lower price that will otherwise be applied to the category.~~

In the 2024-25 and 2025-26 Program Years, the Agency employed a REC price adjustment cap of 20% for all waitlisted distributed generation projects. Current market challenges and conditions, including the future availability of the federal Investment Tax Credit and the substantial increase in capacity prices, are considered in the modeling of the REC Prices with pricing considerations for both the Small and Large Distributed Generation categories, as described in Section 7.5.3. As such, the Agency will not implement a price adjustment cap for the Program Years under this Plan but will continue to monitor market changes and consider if a REC Price adjustment cap would be beneficial for waitlisted projects in future versions of the Long-Term Plan.

7.3.2 Timing of Annual Blocks

The enactment of Public Act 102-0662 ~~corrected~~addressed the funding constraints that prevented the opening of new blocks of capacity across much of 2020-2021 while also creating new Program categories and allocations. Edits to Section 1-75(c)(1)(K) eliminated the stepladder approach to block opening in favor of an annual block approach: "for each delivery year: a single block of nameplate capacity, a price for renewable energy credits within that block, and the terms and conditions for securing a spot on a waitlist once the block is fully committed or reserved."[431]

In accordance with this statutorily mandated shift to annual blocks, the Agency now opens blocks at the start of each delivery year, e.g., on June 1~~.~~ (or the next business day if June 1 falls on a weekend).

[431] 20 ILCS 3855/1-75(c)(1)(K) (emphasis added).

This schedule of annual blocks opening on June 1 commenced with the 2023-24 delivery year and will continue with each subsequent year.

~~To prepare for~~During the ~~new~~transition between Program ~~Year~~Years, the Agency ~~will~~and its Program Administrator partially close the ~~Program from May 27-June 2, 2024, with reopening of the Program for the upcoming Program Year occurring on Monday, June 3, 2024. This~~Portal. Project applications cannot be submitted during that transition period. The temporary closing ~~will allow~~allows the Agency and ~~the~~ Program Administrator to calculate uncontracted capacity allocations for the upcoming Program Year, prepare resources for the Program Year, and reset the Program Portal in anticipation of new blocks and/or any required application changes ~~as a result of the approval of this 2024 Long-Term Plan. The closing will restrict all portal access, including the generation, delivery, and execution of Disclosure Forms for only that five-day period. The Program will then reopen the Portal with full access to the Portal on June 3, 2024 for the new Program Year.~~ for that Program Year. The Agency strives to limit this transition period to reduce impact to the market. During the transition period, Disclosure Form generation, sending, and execution will remain available.

~~For the second Program Year covered by this 2024 Long-Term Plan, the 2025-26 Program Year, the Agency will take a more tailored approach that would allow for the continuation of Disclosure Form generation, sending, and execution so as to have minimal impact on the market as preparation for the new Program Year takes place.~~

7.3.3 Block Sizes

In establishing block sizes for the Program, the Agency must first consider the overall REC targets of the RPS and the portion of that whole to be derived from the Program. From there, blocks can be sized based on annual procurement quantities in a manner consistent with the category-specific percentages and process outlined in subsections (i)-(vii) of Section 1-75(c)(1)(K) of the IPA Act.

Section 1-75(c)(1)(C) requires the procurement of "45,000,000 renewable energy credits delivered annually from new wind and solar projects by the end of delivery year 2030." Of that 45 million RECs, at least 55% is to be sourced from new photovoltaic projects; 50% of that 55% (or 27.5% overall) from the Illinois Shines program.[432] This creates a Program-specific 2030 target of ~~12.375~~over 70 million RECs ~~delivered annually~~contracted by 2030. Approximately ~~4.1~~46 million RECs have already been ~~procured~~contracted to be delivered by 2030 through the Program activity to date since 2019. This leaves approximately ~~8.3~~25 million RECs to be ~~procured~~contracted over the next ~~seven~~five years.

For the two delivery years/Program Years covered by this Long-Term Plan (~~2024-25~~2026-27 and ~~2025-26~~2027-28) the Agency will procure approximately ~~1.~~2 million RECs ~~annually~~in 2026-27 from a total of ~~800~~1200 MW of capacity and approximately 1.7 million RECs in 2027-28 from 1000MW – with the expectation that ~~quantities can grow in subsequent delivery years as~~a larger amount of capacity in 2026-27 would help a larger number of projects' ability to avail the ~~solar industry in Illinois continue to grow. That 1.~~ITC while it is still available. The 2 million RECs will then be broken

[432] P.A. 103-1066 , enacted on February 20, 2025, modified Section 1-75(c)(1)(C)(i) of the IPA Act. Prior to the enactment of P.A. 103-1066, Section 1-75(c)(1)(C)(i) provided that at least 45% of the RECs procured should be from new wind projects and modernized or retooled hydropower projects and 55% of the RECs procured should be from new photovoltaic projects. As modified by P.A. 103-1066, Section 1-75(c)(1)(C)(i) now requires that the IPA shall "endeavor" to procure 45% of the RECs from new and "repowered" wind projects and "shall procure at least" 55% of the RECs from photovoltaic projects.

down into block sizes for individual categories based on the percentage-based allocations made through Section 1-75(c)(1)(K)(i)-(vi) of the IPA Act, with slight alterations to accommodate the growth of the Equity Eligible Contractor category. For simplicity, the Agency will continue to use a 17% capacity factor for translating REC targets to MW sizes.

All categories feature capacity allocations proportionate to the percentage-based allocations outlined in Section 1-75(c)(1)(K)(i)-(vi) of the IPA Act with the exception of the Equity Eligible Contractor category, which is meant to increase over time.

~~Tables 7-1~~Table 7-1 and ~~7-2 lists~~Table 7-2 list the block sizes for the ~~2024-25~~2026-27 and ~~2025-26~~2027-28 delivery years.

Table 7-1: Annual Illinois Shines Program Block Capacity

~~2024-25 Delivery~~ 2026-27 Program Year[433]

Category	Allocation	Group A (MW)	Group B (MW)	Statewide Allocation
Small Distributed Generation	18%	-	-	142
Large Distributed Generation	18%	-	-	142
Traditional Community Solar	27%	64	149	-
Community-Driven Community Solar	4%	11	25	-
Public Schools	13%	-	-	107
Equity Eligible Contractor	20%	48	112	-
Total	**100%**	**123**	**286**	**391**

Category	Allocation	Group A (MW)	Group B (MW)	Statewide Allocation
Small Distributed Generation	18%	-	-	216.0
Large Distributed Generation	18%	-	-	216.0
Traditional Community Solar	26%	93.6	218.4	-
Community-Driven Community Solar	5%	18.0	42.0	-
Public Schools	11%	-	-	132.0
Equity Eligible Contractor	22%	79.2	184.8	-
Total	**100%**	**190.8**	**445.2**	**564.0**

Table 7-2: Annual Illinois Shines Program Block Capacity

~~2025-26~~ 2027-28 Program Year[434]

Category	Allocation	Group A (MW)	Group B (MW)	Statewide Allocation
Small Distributed Generation	18%	-	-	142
Large Distributed Generation	18%	-	-	142
Traditional Community Solar	27%	64	149	-
Community-Driven Community Solar	4%	11	25	-
Public Schools	13%	-	-	107
Equity Eligible Contractor	20%	48	112	-
Total	**100%**	**123**	**286**	**391**

[433] These totals are preliminary amounts unadjusted for any unallocated capacity from the previous Program Year. ~~Additionally, these amounts present the Agency's plans to freeze the EEC category at 20%, but do not include any other proposed adjustments.~~

[434] These totals are preliminary amounts unadjusted for any unallocated capacity from the previous Program Year. ~~Additionally, these amounts present the Agency's proposal to increase the EEC category to 20%, but do not include any other proposed adjustments.~~

Category	Allocation	Group A (MW)	Group B (MW)	Statewide Allocation
Small Distributed Generation	17%	-	-	170
Large Distributed Generation	17%	-	-	170
Traditional Community Solar	25%	75	175	-
Community-Driven Community Solar	5%	15	35	-
Public Schools	11%	-	-	110
Equity Eligible Contractor	25%	75	175	-
Total	**100%**	**165**	**385**	**450**

The total of these block sizes, in combination with capacity from prior waitlist allocations, establishes Program capacity on an annual basis.

Section 1-75(c)(1)(K)(vi) instructs the Agency to increase the proportion of the EEC category gradually until it reaches 40% of Program capacity. ~~In the table directly below,~~The Agency will increase the EEC category's share for each of the Program Years covered by this Plan, with a 22% allocation for 2026-27 and a 25% allocation for 2027-28. This gradual increase allows additional time for EEC market development.

In Table 7-3 the past percentage of the Program that the EEC category comprised is shown, as well as the percentage shares for the ~~2024-25 and 2025-26 Program Years. The Agency will freeze the EEC category's share of the Program at 20% for the next two Program Years. The Agency has witnessed concerning trends related to potential gaming within this category as outlined further in Chapter 10. Additionally, the Agency has heard from stakeholders that the fact that EEP-qualifying workforce programs under the jurisdiction of the Department of Commerce and Economic Opportunity ("DCEO") are not yet up and running provides barriers to participation in the EEC category. On balance, the Agency believes it prudent to halt additional increase of Program share for this category until both gaming concerns can be adequately addressed and EEP-qualifying DCEO programs can be fully realized, producing EEP-eligible graduates.~~

2026-27 and 2027-28 Program Years. Additionally, the increase of percentage share of the EEC category will necessitate a decrease in percentage share from one or more other Program categories. In order to support this increase in the proportional allocation to the EEC category, the Agency has decreased the allocation of capacity to ~~the five~~ other Program categories ~~on a pro-rata basis~~ according to Program category percentages outlined in Section 1-75(c)(1)(K)(i-vii). The allocations to Small Distributed Generation, Large Distributed Generation, Public Schools, and Traditional Community Solar have therefore been reduced. Due to the success of the Community-Driven Community Solar category, the relatively small statutorily prescribed capacity allocation for that category, and the overwhelmingly positive stakeholder feedback received about the category, the Agency has chosen to maintain that category's allocation at the statutory allocation of 5% of the Program's capacity, and does not plan to reduce that category's share in the next two Program Years.

Equity Eligible Contractor Block Program Share by Program Year					
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Past Percentage of Program Share	10%	24%	21%	-	-
Future Percentage of Program Share	-	-	-	*20%*	*20%*

~~Table 7-3: Equity Eligible Contractor Block Program Share by Program Year~~

Table 7-3: Equity Eligible Contractor Block Program Share by Program Year

Equity Eligible Contractor Block Program Share by Program Year							
-	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
Past Percentage of Program Share	10%	24%	21%	20%	20%	-	-
Proposed Percentage of Program Share	-	-	-	-	-	*22%*	*25%*

7.3.4 Uncontracted Capacity at the Close of a Program Year

As the Program has shifted to a schedule of annual blocks of capacity, there is potential for unused or uncontracted capacity to remain available at the close of a delivery year. The IPA Act requires a redistribution of that uncontracted capacity to other categories, stating in relevant part that:

> *"To the extent there is uncontracted capacity from any block in any of categories (i) through (vi) at the end of a delivery year, the Agency shall redistribute that capacity to one or more other categories giving priority to categories with projects on a waitlist. The redistributed capacity shall be added to the annual capacity in the subsequent delivery year, and the price for renewable energy credits shall be the price for the new delivery year. Redistributed capacity shall not be considered redistributed when determining whether the goals in this subsection (K) have been met."*[435]

In the 2022 Long-Term Plan, the Agency outlined an approach to establish when the "uncontracted capacity" determination would be made and prioritize the redistribution of excess capacity across other categories. That process prioritized new categories established under P.A. 102-0662 and preserved capacity in certain categories to provide the opportunity for growth in a new market segment. ~~As the Program has evolved since the last Plan approval proceeding, the Agency has determined that a modification of the approach approved by the Commission under the last Plan is now warranted. This approach prioritizes~~The 2024 Long-Term Plan's approach prioritized the

[435] 20 ILCS 3855/1-75(c)(1)(K).

reallocation of capacity to potentially oversubscribed categories most in need of continued market support to avoid problematic boom or bust cycles in available capacity.

~~At the end of the 2023-24 and 2024-25 Program Years, the IPA will~~ This 2026 Long-Term Plan similarly prioritizes oversubscribed categories and provides additional prioritization for the Community-Driven Community Solar category based on stakeholder feedback. Community-Driven Community Solar receives the smaller statutory share of capacity, and the Agency therefore is unable to set a larger block size for the category. Given the stakeholder feedback reflecting the success of this type of project, and the substantial benefits these projects provide to their communities, the Agency feels it is most appropriate to provide a higher prioritization in the allocation of uncontracted capacity at the end of the Program Year.

Finally, the Agency has determined that the continued rollover of 25% of any uncontracted capacity from the Public Schools category ~~within that category for the following Program Year and allocate~~ for the following Program Year will not be continued due to low uptake in the category. At the end of the 2023-24 and 2024-25 Program Years, the IPA rolled over 25% of uncontracted capacity from the Public Schools category for the following Program Year and allocated the remaining 75% to other categories in accordance with the process approved by the Commission. Under this draft 2026 Plan, the IPA proposes to allocate all of the remaining capacity from Public Schools category capacity at the end of the 2025-2026 and 2026-2027 program years in accordance with the updated prioritization outlined below.

The ~~capacity rolled over within the~~ Public Schools Category ~~will be summed~~remains undersubscribed and ~~then redistributed across the Public Schools subcategories and Tiers following the allocations as outlined~~is discussed further in Section ~~7.4.4~~7.4.4 of the Plan.

~~The Agency will no longer reserve uncontracted capacity within the CDCS category across future Program Years. Applications in this category exceeded the allocated capacity in the 2023-24 Program Year and the Agency expects that trend to continue in future Program Years.~~

~~The Agency will determine the amount of uncontracted~~ In this 2026 Long-Term Plan, the Agency proposes to start tracking the capacity associated with projects that were under contract but that were withdrawn or removed that were allocated a previous Program Year's capacity. The Agency proposes to redistribute the capacity through the reallocation process following the 2026-27 Program Year. The Agency finds that allocating this cancelled capacity will ensure timely and efficient compliance with REC delivery goals as mandated in the IPA Act and further outlined in Chapter 3 of this Plan. As attrition rates after contracting have historically been low, the Agency has not historically tallied capacity from projects cancelled across Program Years and had considered capacity for cancelled projects as allocated because the REC price between Blocks/Program Years had changed.[436] The Agency is requesting feedback on whether capacity from projects under contract that are subsequently removed from the Program should be included in the reallocation process that occurs between Program Years.

The Agency will determine the amount of uncontracted and cancelled capacity across all Program categories ~~(with the caveat related to the Public Schools category outlined above)~~ within two weeks of the closing date of that year's annual blocks, as outlined above in Section ~~7.3.2.~~7.3.2. The

[436] Across the 2022-2023, 2023-2024, and 2024-2025 Program Years there have been approximately 34 MW of capacity of applications contracted in one Program Year but removed during a different Program Year, including projects that delivered RECs.

uncontracted capacity will be summed to a total amount (in megawatts), with distribution of that total amount made according to the prioritization below. For all prioritizations below, the Agency will endeavor to clear out all waitlists that remain in all Program categories. For categories without Group A/B distinctions, reallocated capacity will be applied to the category's waitlist in rank order until the waitlist is depleted. For categories that do feature the Group A/B split, capacity will be divided along the 30%/70% split and applied to Group A/B waitlists accordingly.

In the case of the Public Schools Category, capacity will be allocated following the distribution guidance for subcategories and Tiers outlined in Section ~~7.4.4.~~7.4.4. Further, if a category other than Public Schools has subcategories or subdivisions beyond Group, those percentages will be followed within a Group, after the Group A/B percentages are applied to the available capacity.

- The Agency will first allocate any uncontracted capacity to the **Small Distributed Generation** category waitlist.
    - This approach helps maximize the number of Illinois residents and/or businesses that can benefit from the Program.
- Next, the Agency will allocate any uncontracted capacity to the **Community-Driven Community Solar** waitlist. Eligible waitlisted projects will be required to have met the minimum scoring threshold for waitlist placement.
    - This category is prioritized in recognition of the concern that community solar project development in Illinois had been largely homogenous since Program inception. This Program category was established to diversify the community solar market through community-driven projects, and allocating waitlisted capacity maximizes its impact. This category has become more successful and received overwhelming positive feedback in the initial round of stakeholder feedback initiated for the Draft 2026 Long-Term Plan.
- Next, the Agency will then allocate any uncontracted capacity to the **Large Distributed Generation** category waitlist.
- Next, the Agency will allocate any uncontracted capacity to the **Distributed Generation subcategory of the Equity Eligible Contractor** category waitlist.
    - To date, the EEC category has been imbalanced toward community solar projects, so should a waitlist exist for EEC DG projects, providing additional support would help rebalance the EEC category across potential project types.
- Next, the Agency will allocate any uncontracted capacity to the **Distributed Generation subcategory of the Public Schools** category waitlist.

- ~~Next, the Agency will allocate any uncontracted capacity to the **Community-Driven Community Solar** waitlist. Eligible waitlisted projects will be required to have met the minimum scoring threshold for waitlist placement.~~
    - ~~This category is prioritized in recognition of the concern that community solar project development in Illinois has been largely homogenous since Program inception. This new Program category was established to diversify the community solar market through community-driven projects, and allocating waitlisted capacity maximizes its impact.~~

- ~~Next, the Agency will allocate any uncontracted capacity to the **Community** **Solar subcategory of the Equity Eligible Contractor** category waitlist.~~

- Given that the EEC category will comprise ~~20~~40% of the entire Program's capacity over time, and given the degree to which community solar projects have populated the EEC category to date, community solar projects within the EEC category have received and will continue to receive very robust support through the Program.

- Next, the Agency will allocate any uncontracted capacity to the **Community Solar subcategory of the Public Schools** category waitlist.

- If uncontracted capacity remains after the above allocations are made, the Agency will evenly distribute the remaining uncontracted capacity across the remaining Program categories featuring waitlists on a pro rata basis. Should a category's waitlist be satisfied by less capacity than that distribution, then the remaining capacity shall be added to any other category or categories featuring waitlists.

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The Agency will publish its capacity redistribution no later than two weeks after the close of the previous Program Year. Capacity distribution to categories featuring waitlists will result in projects selected off of those waitlists by waitlist order, with the resulting contract price at the price of the next annual block. Published block capacities for that next annual block will be updated to reflect that category's expanded, and now-filled, capacity additions.

For waitlisted capacity not met through uncontracted capacity redistribution, Section 1-75(c)(1)(K) also provides that "the waitlist of projects in a given year will carry over to apply to the subsequent year when another block is opened." Thus, those waitlisted projects will be given priority in selection within their category under that new Program Year's capacity allocation to that category.

7.4 Illinois Shines Program Categories

As provided for under Section 1-75(c)(1)(K) of the IPA Act, the Illinois Shines program consists of six different categories of projects: Small Distributed Generation, Large Distributed Generation, Traditional Community Solar, Public Schools, Community-Driven Community Solar, and Equity Eligible Contractor.

Projects in each of these six categories are subject to the prevailing wage requirements in the Prevailing Wage Act (820 ILCS 130/*et seq.*), except as noted within the category descriptions below.[437] More information on prevailing wage requirements is found in Section ~~7.6~~7.6 of this Plan.

7.4.1 Small Distributed Generation

The Small Distributed Generation category includes distributed generation projects up to and including 25 kW in size.

Each project that is constructed in this category is subject to prevailing wage requirements included in the Prevailing Wage Act[438] except the following types of projects:

- Projects that serve a single-family or multi-family residential building
- Projects that serve a house of worship and are not greater than 100 kW AC (aggregated with any co-located projects)

[437] See 20 ILCS 3855 1-75(c)(1)(Q).

[438] See 820 ILCS/130 *et. seq*. Prevailing wage requirements are discussed in more detail in Section ~~7.6~~ 7.6 of this Chapter.

- Projects for which construction can be demonstrated to have been completed before September 15, 2021, the effective date of Public Act 102-0662

7.4.2 Large Distributed Generation

The Large Distributed Generation category includes distributed generation projects greater than 25 kW in size up to and including 5 MW.

Each project that is constructed in this category is subject to the prevailing wage requirements included in the Prevailing Wage Act with the exception of the following types of projects:

- Projects (greater than 25 kW AC) that were on a waitlist as of the Program's reopening on December 14, 2021.
- Projects that serve a single-family or multi-family residential building.
- Projects that serve a house of worship and are not greater than 100 kW AC (aggregated with any co-located projects).)
- Projects for which construction can be demonstrated to have been completed before September 15, 2021, the effective date of P.A. 102-0662.

7.4.3 Traditional Community Solar

The Traditional Community Solar category includes photovoltaic community renewable generation projects up to and including 5 MW. At least 50% of the project's nameplate capacity must be subscribed by residential and small commercial customers with subscriptions of 25 kW or less in order to qualify. Each project that is constructed in this category is subject to prevailing wage requirements included in the Prevailing Wage Act[439] with the limited exception of those projects which can demonstrate completion prior to September 15, 2021 (the effective date of P.A. 102-0662). Traditional Community Solar projects also feature 20-year REC delivery contracts that pay for RECs over time as they are delivered, rather than the front-loaded payment schedule previously used for community solar.

Section 1-75(c)(1)(K)(iii)(1) specifies that "the Agency shall select projects on a first-come, first-serve basis, however the Agency may suggest additional methods to prioritize projects that are submitted at the same time." The Agency considers "submitted at the same time" to be projects submitted on the same day, rather than the exact second that a project application is submitted at Program opening. This is intended to prevent an unfair advantage to entities that have a faster internet connection while maintaining the spirit of the law.

The Agency expects that it is likely that first-day Traditional Community Solar project application volumes will continue to exceed block capacity, as historically observed. A methodology for distinguishing between those projects must be employed, and the Agency has developed a scoring methodology to prioritize selection of projects within this category through qualitative attributes in the event that the capacity for the category is exceeded as expected. The Agency proposed some modificationsproposes to modify the most recent methodology approved by the Commission in the 20222024 Plan, as outlined below. These adjustments to the scoring criteria were developed in order to address changes in lawobserved over the course of the implementation of the 2024 Long-Term

[439] See 820 ILCS/130 *et. seq.*

Plan and in response to stakeholder feedback regarding the scoring mechanisms. The Program Administrator will first seek to review all submitted applications for any deficiencies prior to scoring.

The Agency will apply a 20% developer cap for any affiliated family of project developers for the annual block of capacity for the Traditional Community Solar category, with more information in Section ~~7.4.3.3.~~7.4.3.3.

For Traditional Community Solar projects mounted on a rooftop, a $5/REC adder will be applied to the REC price (see Section ~~7.5.3~~0 for more discussion of this adder). To be eligible for the adder, the project design submitted to the Program will need to specify that the system is a roof-mounted system. If after ICC approval of the project, the design of the project changes and it is ultimately built as a ground-mounted system, the adder will not be included in the final REC price.

7.4.3.1 Traditional Community Solar Scoring Guidelines

Projects may receive up to the maximum number of points listed for each of the four sections below. A project's score will sum to the points it receives across all four sections.

1. Built Environment – Maximum of 4 points permitted
    a. Sited on "contaminated lands" as defined by the United States Environmental Protection Agency.[440] (Add 2 points)
    b. Sited on rooftops or other existing structures. (Add 3 points)
    c. Sited on a brownfield, as defined in ~~Section1~~Section 1-10 of the Act and further clarified in Section ~~5.4.2~~5.4.2 of the Plan.[441] (Add 2 points)
    d. Commitment to utilize agrivoltaics or dual-use solar.[442, 443, 444] (Add ~~1 point~~2 points)

[440] ~~See US EPA definition for contaminated lands here: https://www.epa.gov/report-environment/contaminated-land#:~:text=Contaminated%20lands%20include%3A,disasters%20or%20acts%20of%20terror~~ See US EPA definition for contaminated lands here: https://www.epa.gov/report-environment/contaminated-land#:~:text=Contaminated%20lands%20include%3A,disasters%20or%20acts%20of%20terror

[441] The Agency recognizes that there may be overlap between projects defined by the U.S. Environmental Protection Agency ("EPA") as a brownfield that also meet the definition of contaminated lands. The Agency believes that allowing a contaminated project that qualifies as a brownfield site under Section 1-10 of the IPA Act to receive points in both categories fits within the spirit of this scoring criteria. Therefore, if a project is sited on a location that independently qualifies as both contaminated lands defined by the U.S. EPA and as a brownfield under Section 1-10 of the IPA Act, the project may receive points under both (a) and (c) of the Built Environment scoring.

In order to qualify as a brownfield under Section 1-10 of the IPA Act, the project must be able to demonstrate that it is sited in an area that is either (1) located at the site of a coal mine that has permanently ceased coal production, permanently halted any re-mining operations, and is no longer accepting any coal combustion residues, or (2) is regulated by one of the following entities under the following programs: (a) the U.S. EPA under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"); (b) the U.S. EPA under the corrective Action Program of the federal Resource Conservation and Recovery Act, as amended ("RCRA"); (c) the Illinois EPA under the Illinois Solid Waste Program; or (d) the Illinois EPA under the Illinois Site Remediation Program ("ISRP"). Approved Vendors must submit sufficient documentation to demonstrate that the project is located at the site of a permanently closed coal mine or a site regulated by the identified program above.

[442] The definition of agrivoltaics and requirements for this scoring criterion are found in Appendix C – Agrivoltaics Requirements of the current Program Guidebook.

[443] Projects utilizing crop-based agrivoltaics should not submit the project's Part II application until the crops are planted and documentation of adherence to commitment to utilize agrivoltaics can be proved. Approved Vendors will be asked to prove the progress of planted crops and/or other agrivoltaics activities in the Part II application. The Commission explicitly approved this requirement; see Final Order at 43, ICC Docket No. 23-0714 (Feb. 20, 2024).

[444] ~~Projects utilizing crop-based agrivoltaics should not submit the project's Part II application until the crops are planted and documentation of adherence to commitment to utilize agrivoltaics can be proved. Approved Vendors will be asked to prove the progress of planted crops and/or other agrivoltaics activities in the Part II application. The Commission explicitly approved this requirement; see Final Order at 43, ICC Docket No. 23-0714 (Feb. 20, 2024).~~ Dual-use solar involves the co-location of electricity generation and a non-energy use on the same land at the same time - that is, generating electricity on the land while also using the land for another purpose. This may include floating photovoltaics, also sometimes known as "floating solar" or "solar-over-water." The Agency will consider these on a case-by-case basis.

e. Commitment to pollinator friendly habitat, as defined in in the Pollinator Friendly Solar Site Act (525 ILCS 55).[445] (Add 1 point)

f. ~~The~~Sited on a greenfield (if not utilizing 1.d. or 1.e., and not sited on contaminated land).[446] (Subtract 2 points)

In the prior 2024 Long-Term Plan, the Agency ~~has~~ removed the subtractor for siting a project in Conservation Opportunity Areas (that existed under the 2022 Plan's scoring approach) in order to reflect changes in law under P.A. 103-0255. ~~Projects that are on the Program Year 2023-24 waitlist have already been scored using the Conservation Opportunity Areas subtractor as they were subject to the scoring system as outlined in the 2022 Long-Term Plan (even if such projects ultimately receive Program capacity in a later year), and the Agency will not rescore these waitlisted projects. Any projects that are scored in future Program Years will not be subject to the Conservation Opportunity Areas subtractor in accordance with P.A. 103-0255.~~ In this 2026 Long-Term Plan, the Agency is proposing to add a new subtractor that reduces points for projects that do not commit to either agrivoltaics, dual-use solar, or pollinator friendly habitat, and that are not also on contaminated land. The Agency believes this modification will help ensure projects are considering the built environment in their siting decisions.

The Agency has proposed increasing the single point awarded for the commitment to utilize agrivoltaics or dual-use solar to two points, based on sustained stakeholder feedback supporting the change. The Agency has observed some difficulty regarding the requirement for active grazing at Part II verification for projects that commit to grazing in order to receive points under the criteria for 1.d. The Agency is interested in stakeholder feedback around potential changes to its definition of "active grazing." The Agency is considering whether it should utilize contracts between a land owner and a herd owner as evidence of "active grazing," and is additionally considering whether increased inspections on grazing projects may provide a solution to the difficulty of showing "active grazing." The Agency welcomes stakeholder feedback as it considers what is sufficient to demonstrate "active grazing."

If a project is seeking points for both criteria 1.~~C~~c. (commitment to utilize agrivoltaics) and 1.~~D~~d. (commitment to pollinator friendly habitat), use of insecticides may result in a significantly lower score on the Illinois Planned Pollinator Habitat on Solar Sites Scorecard.[447] Approved Vendors seeking to receive points for both criteria are encouraged to review the project's agrivoltaics development plan to ensure it aligns with

[445] 525 ILCS 55/- limits pollinator friendly sites to ground mounted systems, thus rooftop systems may not attain points under this criterion. Resources for how to successfully certify as pollinator friendly here: ~~https://dnr.illinois.gov/conservation/pollinatorscorecard.html~~ https://dnr.illinois.gov/conservation/pollinatorscorecard.html

[446] Greenfield project means a project proposed at a site that is either previously undeveloped land or agricultural land and that does not meet the definition of a brownfield site or contaminated land.

[447] ~~See: https://dnr.illinois.gov/content/dam/soi/en/web/dnr/conservation/pollinatorscorecard/documents/illinoissolarsitepollinatorhabitatplanningform.pdf~~ See: https://dnr.illinois.gov/content/dam/soi/en/web/dnr/conservation/pollinatorscorecard/documents/illinoissolarsitepollinatorhabitatplanningform.pdf

the criteria set forth in the pollinator scorecard. The Program Administrator may request further detail on agrivoltaics plans, including plans for insecticide use for projects that seek points under both criteria to ensure that the project commitments are not at odds.

2. Siting – Maximum of 4 points permitted
   a. Sited in an Environmental Justice Community[448] or an R3 area.[449] (Add 2 points)
   b. Sited on land owned by a non-profit or public entity. (Add 2 points)
   c. Sited in a county (or a township within Cook, DuPage, Kane, Lake, McHenry or Will County)[450] that ~~does not currently have a~~has five or fewer community solar ~~project~~projects that ~~was~~were approved by the ICC for a REC contract under the Adjustable Block Program at the time of application.[451] (Add 2 points)

The Agency has modified criterion 2.c. based on the successful proliferation of solar projects across Illinois, making this criterion hard to obtain. This criterion was originally introduced to ensure that the benefits of the Program and TCS could be obtained throughout the State of Illinois. As of the drafting of this Plan, 75% of counties in Illinois have a community solar project that is ICC Approved or pending ICC approval. The median number of projects per county (excluding Cook DuPage, Kane, Lake, McHenry, and Will counties) is three projects, and the median number of projects per township in Cook, DuPage, Kane, Lake, McHenry, and Will county is two projects. Therefore, to continue supporting opportunities for TCS throughout the state, the Agency will increase the limit to five or fewer CS projects beginning in the 2026-27 Program Year for this scoring criterion.

3. Equity Eligible Contractors – Maximum of 4 points permitted[452]

[448] A map of Environmental Justice Communities as defined by the IPA through its Illinois Solar for All program can be found here: ~~https://elevate.maps.arcgis.com/apps/webappviewer/index.html?id=d87a45c18a5c4e0fa96c1f03b6187267~~ https://elevate.maps.arcgis.com/apps/webappviewer/index.html?id=d87a45c18a5c4e0fa96c1f03b6187267

[449] R3 Areas established pursuant to Section 10-40 of the Cannabis Regulation and Tax Act, are defined as areas where residents have historically been excluded from economic opportunities, including opportunities in the energy sector; For a map see: ~~https://r3.illinois.gov/eligibility~~ https://r3.illinois.gov/eligibility

[450] The Illinois Public Land Survey System (PLSS) GIS map will be used to determine the county and township boundaries for each project: ~~https://prairie-research.maps.arcgis.com/apps/webappviewer/index.html?id=16239dfab62f49e48e692bb93b495fd9~~ https://prairie-research.maps.arcgis.com/apps/webappviewer/index.html?id=16239dfab62f49e48e692bb93b495fd9

[451] Multiple projects in a given county or township that ~~does not presently feature a~~features five or fewer community solar project either under contract or waitlisted may receive points in this category for the current Program Year. Project application reports will be used to verify this information.

[452] For purposes of this scoring category, Designees that have submitted an application but are not yet certified as Equity Eligible Contractors by the Program Administrator will be permitted to be utilized as EEC Designees. If a Designee's EEC application is not approved by the Program Administrator, a substitution will need to be made for a qualifying EEC Designee. EEC Designees will need to be certified by the application scoring cure period. This allowance will only be made in the initial scoring of Day 1 applications. After such time, all EEC Designees must be certified at the time of Part I application submission to achieve points for the EEC scoring criteria. EEC certified Designees are permitted to utilize nested Designees/subcontractors, but those Designees must be EEC-certified in order to receive points for utilization of EEC Designees.

a. Project is developed entirely by an EEC certified Approved Vendor ~~and~~or can demonstrate contractual commitments for all project development work[453] to be performed by EEC certified subcontractor(s) and/or Designee(s).[454] (Add 4 points)
b. Project is developed by an EEC certified Approved Vendor or a non-EEC certified Approved Vendor and the contractual commitments for EEC certified subcontractor(s) and/or Designee(s) that all project development work represents at least 75% or more of the project's REC Contract value.[455] (Add 3 points)
c. Project is developed by an EEC certified Approved Vendor or a non-EEC certified Approved Vendor and the contractual commitments for EEC certified subcontractor (s) and/or Designee(s) that all project development work represents at least 50% and up to 75% of the project's REC Contract value. (Add 2 points)
d. Project is developed by an EEC certified Approved Vendor or a non-EEC certified Approved Vendor and the contractual commitments for EEC certified subcontractor(s) and/or Designee(s) that all project development work represents at least 25% and up to 50% of the project's REC Contract value. (Add 1 point)

4. Interconnection Application Effective Date – Maximum of 4 points permitted
   a. Project has a valid interconnection agreement at the time of application (Add 1 point)[456]
   b. Project has a top-two queue position among community solar projects on a substation on the date of the application (Add 2 points)[457]
   c. Recency of project having obtained a valid interconnection agreement (Add up to 1 point)
      i. Should project applications received on the first day exceed category capacity, the project with the earliest interconnection agreement effective date will

[453] For purposes of this category, "project development work" refers to all construction and electrical work on a project, and project-specific site assessment work such as permitting, legal, and other site-specific development work, including work that may have already been undertaken prior to project application. Non-site-specific development functions (such as general sales and marketing activities) will not be considered as project development work. This definition also differs from the "project workforce" definition utilized for the Minimum Equity Standards as outlined in P.A. 102-0662, for which a firm's Illinois-based employees are included in the "project workforce" regardless of function.

[454] Points available under criterion 3.a. are not attainable unless all project development work, including pre-application development work, was performed by an EEC or EEC Designee.

[455] For purposes of this category, the IPA will assess the percentage of the REC Contract value spent utilizing EEC-certified Designees to be taken through a comparison of a) the value of the REC Delivery Contract (expected deliveries x REC price across the contract term) and b) the demonstrated value of agreements for the project development work to be performed by EEC-certified Designees in developing the project, with those agreements submitted to the Program Administrator at the Part II stage. If the latter value meets or exceeds 50% of the former value, then that project will be deemed to have met this criterion. The EEC Designee may not subcontract a portion of its scope of work to a non-EEC if the project receives points for this category during project selection.

[456] Pursuant to Article 3 of the Interconnection Contract (see 83 Ill. Adm. Code Part 467, Appx. C), the interconnection agreement will be considered "valid" if it is fully executed by both parties and the effective of the contract date (i.e., the date noted in the first paragraph of the agreement, pursuant to 3.1 of the contract) falls before the date of the application.

[457] Demonstration of queue position among other community solar projects can be accomplished through a snapshot of the interconnection queue (taken after interconnection agreement execution, meaning signed by both the interconnecting utility and the customer), verification from interconnecting utility, or other supporting materials, if applicable, submitted with a project application and accompanying certification. The IPA will also endeavor to work with the utilities to verify the accuracy of queue position submittals and reserves the right to take disciplinary action against firms found to have knowingly submitted a false queue position. An executed interconnection agreement is required to achieve the points available for a top 2 queue position. Interconnection agreements must be both executed and valid, meaning not expired. If a project lacks an effective interconnection agreement, no points will be awarded to that project under this criterion.

receive a full 1 point. If there are multiple projects that share the earliest interconnection agreement effective date, they will each receive 1 point.[458]

ii. The project with the latest (i.e., most recent) interconnection agreement effective date will receive 0.25 points. If there are multiple projects that share the latest interconnection agreement effective date, they will each receive 0.25 points.

iii. Projects applying on the first day of the Program Year, with an interconnection agreement effective date between the earliest and latest dates as established in i. and ii. directly above, will be assigned points based on a sliding scale between 1 and 0.25 points based upon their rank-order from the earliest effective interconnection date to the latest effective interconnection date. Each independent effective interconnection date within this rank-order will be assigned an independent fractional score between 1 point and 0.25 points. As such, projects that have the same effective interconnection agreement date will receive the same number of points.

iv. If a project lacks an effective interconnection agreement, no points will be awarded to that project under this category for that project.

v. For projects submitted *after* the first day of the Program Year, will be assigned points based upon the recency of the agreement on a sliding scale based upon their rank-order from earliest effective interconnection date to the latest effective interconnection date in comparison to all projects submitted on the same day; the maximum available points for recency of interconnection agreement shall be 0.25 points (for the earliest interconnection date), and the minimum points available shall be 0.10 points (for the latest interconnection date).[459]

For a project receiving points under any criteria listed above that includes a commitment under criteria 1.c., 1.d., or 3a.-d., if the project is selected, the resulting REC delivery contract will include a requirement that the commitment is met as of the Part II verification, with failure to meet, and maintain, the commitment, an event of default that would lead to termination of the contract or product order (and forfeiture of associated collateral). Should the Agency determine that a commitment was not made with a good faith intent to comply, the Agency may consider disciplinary action against that Approved Vendor, including suspension from the Program or suspension of the entity's ability to submit project applications in the future. Projects receiving points under 3. must ensure that EECs perform the portion of work committed under the REC Contract, EECs may not subcontract their work to non-EECs.

After this scoring criteria is applied to the universe of received projects, each project will be given a score resulting in a rank, which then results in an ordinal list. This ordinal list will be used to select projects for the delivery year in which the process takes place and will establish the initial project waitlist. Any applications submitted after the first day of annual block opening will be slotted on the waitlist behind those project applications received on the first day and prioritized based on time and

[458] As noted above, Section 3.1 of the contract defines the effective date of the interconnection agreement as the date noted in the first paragraph of the agreement. (83 Ill. Adm. Code Part 467, Appx. C).

[459] If there is only one project with a valid interconnection agreement submitted on a particular day, it will be awarded .25 points.

date received and will not be scored. The resulting ordinal waitlist will be used to select any additional projects should capacity become free within that delivery year or should the category receive a redistribution of uncontracted capacity as described in Section ~~7.3.4.~~7.3.4. As Section 1-75(c)(1)(K) requires that "the waitlist of projects in a given year will carry over to apply to the subsequent year when another block is opened," projects remaining on the ordinal waitlist after reallocation of uncontracted capacity as described in Section ~~7.3.4~~7.3.4 will be prioritized for selection in the next delivery year.

All applications submitted on the same day will be treated equally in terms of application submission timing. The scoring process works as a tiebreaker to rank order projects that are submitted on the day that capacity is exceeded. All projects submitted on the day that capacity is exceeded will be scored and ranked according to their score.[460] The capacity of the block will be filled in order of the rank-ordered project list until the block of capacity is filled. There is no minimum point threshold for selection on the day that scoring is triggered. Once the block of capacity is filled with rank-ordered projects, the remaining projects received will be eligible to join the waitlist, provided that they meet the minimum score required for the waitlist (5 points). In other words, for project applications received on the day that scoring is triggered, those scored and rank-ordered projects that fill the capacity of the block will not be subject to the 5-point waitlist threshold. Once capacity is filled with the top-ranked projects, those projects which are not selected will be subject to the minimum point threshold and must have a score of 5 points or higher to secure a place on the waitlist. All projects submitted after the day that blocks are filled will also be subject to the minimum 5-point waitlist threshold to obtain a slot on the waitlist. Projects which do not receive 5 points are eligible to reapply in the following Program Year (opening June 1). The Agency considered changing the waitlist minimum in this 2026 Long-Term Plan, however, it determined that a 5 point minimum remained reasonably obtainable while ensuring high-quality projects for the waitlist. The Agency welcomes stakeholder feedback on this threshold and whether alternative considerations should be implemented if the application of the 5 point minimum threshold were to result in no waitlisted projects.

7.4.3.2 Traditional Community Solar Random Selection Process

If further ordering is required across first-day projects (for instance, ordering of projects featuring the same score where projects receiving that score span across selected and unselected capacity within that block), the Agency will utilize a random selection process to create a rank-order within those equivalently-scored projects. This process would only be utilized by the Agency if/when the need arises based on the block capacity represented by first-day applications received and a need to differentiate between equivalently scored projects. During the random selection process, all projects will be assigned a random number using a command line script random number generator. Projects then are sorted by score first and by randomly assigned numbers second, as this breaks ties between projects with the same score. If multiple projects of the same size that belong to a single or affiliated Approved Vendors receive the same score through the scoring process are selected for a REC Contract, the Approved Vendor(s) will have the option to select which of their projects would be selected for inclusion in the annual block of capacity and which would be moved to the waitlist in order to keep that Approved Vendor (and its affiliates, if any) within the 20% developer cap.

[460] In the unlikely event that the category does not fill the first day with waitlisted and newly-submitted projects, the scoring process will be implemented on the first day that the submitted applications exceed the capacity for the category.

7.4.3.3 Traditional Community Solar Developer Cap

A 20% developer cap for any affiliated[461] project developers for this Traditional Community Solar category will be in place for each Program Year and will be applied across total megawatts of block capacity, rather than the number of contracts awarded, regardless of whether the category fills on the first day. Any affiliated family of project developers which exceeds 20% of the capacity in a given year's Traditional Community Solar block (determined separately for Groups A and B) will have any projects that cause them to exceed the 20% capacity cap moved to become the first projects on the waitlist for the applicable group. If multiple affiliated entities exceed the 20% cap, then the projects moved to the beginning of the waitlist(s) will be ranked by the scores the received, with random selection used to break any scored ties. The Approved Vendor will have the opportunity to resize the project that causes them to exceed the 20% developer cap if there is enough remaining capacity within the 20% cap for a project to receive a REC Contract and not be waitlisted. The developer cap will reset at the commencement of each new Program Year, such that an Approved Vendor and its affiliates are only permitted to 20% of a block's capacity for a given Program Year. If an Approved Vendor (and its affiliates) have previously waitlisted projects that exceed the 20% cap, only those waitlisted projects that keep the Approved Vendor (and its affiliates) within that cap will be permitted to move forward.

7.4.4 Public Schools

The Public Schools category includes distributed generation projects as well as community solar projects that serve a public school in Illinois. Public Schools projects also feature 20-year REC delivery contracts that pay for RECs over time as they are delivered regardless of project type.

Section 1-75(c)(1)(K)(iv) of the IPA Act previously restricted the eligibility of projects under the Public Schools category to those that are "installed at public schools." The matter defining whether a project is installed "at" a public school, particularly for purposes of siting community solar projects, was contested in the 2022 Plan litigation before the Commission in Docket No. 22-0231. The Final 2022 Plan, in accordance with the Commission's Final Order, stated that "community solar projects developed on land adjacent to a public school or on school district-owned land are eligible to participate in this category." Furthermore, the 2022 Plan quoted the Commission's finding that "because school districts only exist if there is a school, and as long as the project is located on school district land, then the project is in effect 'installed at' a public school." The Agency understood the Commission's Order therefore to require that all projects must be developed on land that is owned by a public school or school district.

During the course of the approval of ~~this~~the 2024 Plan, Public Act 103-0580 took effect and modified the text of Section 1-75(c)(1)(K)(iv) to require that projects in the Public School category be "installed on public school land."[462] This particular modification to Section 1-75(c)(1)(K)(iv) appears to clarify the legislative intent surrounding the creation of the category, and therefore ~~this~~the 2024 Plan ~~requires~~required that projects be located on public school owned land, which may include

[461] ~~"Affiliated" means, with respect to any entity, any other entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with each other or a third entity. "Control" means the possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Affiliates may not have shared sales or revenue-sharing arrangements, or common debt and equity financing arrangements.~~ See Section 9.4.2. of this Plan for information on how the Agency considers affiliation and control.

[462] 20 ILCS 3855/1-75(c)(1)(K)(iv) as amended by P.A. 103-0580 (eff. Jan 1, 2024) (emphasis added).

district-owned land, in order to be participate in this category. The Agency will maintain this requirement for the Program Years covered under this 2026 Long-Term Plan.

For community solar projects participating in the Public Schools category, the public school or school district which owns the land on which the project is located must be an anchor subscriber to the community solar project. As such, the public school or district must subscribe to a minimum of 10% of the project's capacity and, by law, cannot exceed 40% of the project's capacity. The Agency recognizes that it may be difficult for a school district or public school to predict the levels of student enrollment – and thereby, energy usage – for the next 20 years. The Agency will allow flexibility around the ability of an anchor tenant of a Public School category community solar project to transfer the subscription to another public school or school district and adjust the subscription size (within the 10-40% range) as needed. In order to ensure that the benefits of the Public Schools category return to the schools that host these community solar projects, the Agency will allow for a hosting public school or school district to request a waiver from the requirement of serving as an anchor tenant subscriber as necessary during the subscription term. The Agency developed the waiver process through solicitation of stakeholder feedback and published the process in the Program Guidebook.

For Public Schools community solar projects mounted on the rooftop of a building owned by a school or school district, or on a parking lot canopy for a school-owned parking lot, a $5/REC adder will be applied to the REC price ~~(see Section 7.5.3 for more discussion of this adder).~~ To be eligible for the adder, the project design submitted to the program will need to specify that the system is a roof-mounted system or parking lot canopy, and provide a documentation that a suitable location for a ground-mounted system was not available at the public school. If after ICC approval of the project, the design of the project changes and it is ultimately built as a ground-mounted system, the adder will not be included in the final REC price.

For this category, public schools are defined as any school operated by the authority of the Illinois School Code and public institutions of higher education, as defined in the Board of Higher Education Act.[463] Public school projects located on schools within Environmental Justice Communities[464] or located on schools that are categorized as a Tier 1 or Tier 2 school based on the latest annual Evidence-Based Funding Distribution process by the Illinois State Board of Education shall be given priority in the allocation process.[465]

To achieve the desired prioritization, 70% of capacity will be allocated to schools categorized as Tier 1, Tier 2, and schools located within Environmental Justice Communities, and 30% will be allocated to Tier 3 and Tier 4 schools not located within Environmental Justice Communities. Tiers will be

[463] ~~Section 1-75(c)(1)(K)(iv) of the IPA Act gives the term "public schools" the meaning set forth in Section 1-3 of the School Code. As a result, projects installed at public institutions of higher learning are currently ineligible for the Program. The 103rd General Assembly passed a modification to this language that would include institutions of higher learning in HB 3445; that legislation was subject to an amendatory veto by the Governor which would not affect the modification of the definition. Because there is no ambiguity with respect to the definition of "public schools" under the IPA Act, the Agency will not implement this expansion of the definition of eligible public schools unless this provision from HB 3445 becomes law.~~ The enactment of Public Act 103-0580 on December 8, 2023 expanded the definition of "Public Schools" eligible for the Public Schools category to include Illinois public higher education institutions as defined by the Illinois Board of Higher Education Act.

[464] For community solar projects sited on district-owned land on which there is no public school or district-owned anchor tenant on site, the anchor tenant school or district facility must be located within an Environmental Justice Community in order to be given priority in the allocation process. This distinction is not necessary for distributed generation projects, as such projects they must offset the load of the public school or district facility at which they are located by definition.

[465] Illinois State Board of Education Evidence-Based Funding Distribution process: ~~https://www.isbe.net/Pages/ebfdistribution.aspx~~ https://www.isbe.net/Pages/ebfdistribution.aspx

determined using the prior year results of the annual Evidence-Based Funding Distribution process conducted by the Illinois State Board of Education.[466] Capacity will be further allocated by size within these two groups of school types. 25% of each allocation will go to projects less than or equal to 250 kW, 50% to projects greater than 250 kW and less than or equal to 1 MW, and 25% to projects greater than 1 MW AC in size. ~~This prioritization was set forth in the 2022 Long-Term Plan and is maintained here, with one caveat. A scrivener's error in the 2022 Long-Term Plan in tables defining block capacity for the Public Schools Category indicated that there would be a Group A and Group B delineation across the category, contrary to the text explaining the prioritization of the category. In order to prevent confusion, the Agency left the unintentional Group division in place under the last Plan. However, for this 2024 Plan, the Agency will remove the Group allocation entirely from the Public Schools category, as the Agency had intended under the 2022 Plan.~~ In this 2026 Long-Term Plan, the Agency will maintain the prioritization set forth in the 2024 Plan.

For each Program Year, if any of the above allocations are not filled within 180 days, projects located at a public school will be accepted on a first come, first serve basis regardless of prioritization based upon Tier, Environmental Justice Community location, or project size. However, the Agency will not remove the division of project type subcategories outlined below within the Public Schools block after 180 days.

7.4.4.1 Public Schools Subcategories

~~The~~Through the 2024 Plan, the Agency ~~will add~~added a subcategory within the Public Schools category dedicated to distributed generation projects developed on public school land. Section 1-75(c)(1)(K)(iv) states, "the Agency shall set the renewable energy credit price and establish payment terms for the renewable energy credits procured pursuant to this subparagraph (iv) that make it feasible and affordable for public schools to install photovoltaic distributed renewable energy devices on their premises, including, but not limited to, those public schools subject to the prioritization provisions of this subparagraph." As such, the Agency understands that the spirit of the law is to provide capacity through this category for *distributed generation* solar projects that are located on and work to primarily offset the electrical load of the school at which the project is located. The Agency ~~will~~ therefore further ~~divide~~divided the Public Schools category into two subcategories, one for community solar and one for distributed generation. Under this approach, 75% capacity of the Public Schools category ~~will be~~is set aside for distributed generation projects, while 25% of the category ~~will be~~is set aside for community solar projects. The capacity for Public Schools category will be allocated as outlined below:

[466] Details can be found at~~:~~

~~Evidence-Based Funding Distribution Calculation (https://www.isbe.net)/Pages/ebfdistribution.aspx and Environmental Justice Community Search Map (arcgis.com)~~ and https://elevate.maps.arcgis.com/apps/webappviewer/index.html?id=d87a45c18a5c4e0fa96c1f03b6187267.

~~Table 7-4: Percentage Allocations for Public Schools Sub-Categories~~

Public Schools Subcategory	School Tier	Project Size		
		≤250 kW	>250 - 1,000 kW≤	>1,000 - 5,000 kW
DG (75%)	Tier 1, 2, and EJC (70% of 75%)	25% of the 70% for this Tier group	50% of the 70% for this Tier group	25% of the 70% for this Tier group
	Tier 3, 4 (30% of 75%)	25% of the 30% for this Tier group	50% of the 30% for this Tier group	25% of the 30% for this Tier group
CS (25%)	Tier 1, 2, and EJC (70% of 25%)	25% of the 70% for this Tier group	50% of the 70% for this Tier group	25% of the 70% for this Tier group
	Tier 3, 4 (30% of 25%)	25% of the 30% for this Tier group	50% of the 30% for this Tier group	25% of the 30% for this Tier group

Table 7-4: Percentage Allocations for Public Schools Sub-Categories

Public Schools Subcategory	School Tier	Project Size		
		≤250 kW	>250 - 1,000 kW≤	>1,000 - 5,000 kW
DG (75%)	Tier 1, 2 and EJC (70% of 75%)	25% of the 70% for this Tier group	50% of the 70% for this Tier group	25% of the 70% for this Tier group
	Tier 3, 4 (30% of 75%)	25% of the 30% for this Tier group	50% of the 30% for this Tier group	25% of the 30% for this Tier group
CS (25%)	Tier 1, 2 and EJC (70% of 25%)	25% of the 70% for this Tier group	50% of the 70% for this Tier group	25% of the 70% for this Tier group
	Tier 3, 4 (30% of 25%)	25% of the 30% for this Tier group	50% of the 30% for this Tier group	25% of the 30% for this Tier group

The capacity would be divided by subcategory, Tier, and project size as follows:

~~Table 7-5: Capacity Allocations for Public Schools Subcategories~~

Public School Subcategory	School Tier	Project Size		
		≤250 kW	**>250 - 1,000 kW≤**	**>1,000 - 5,000 kW**
DG (80 MW)	Tier 1, 2, and EJC	14 MW	28 MW	14 MW
	Tier 3, 4	6 MW	12 MW	6 MW
CS (27 MW)	Tier 1, 2, and EJC	5 MW	9 MW	5 MW
	Tier 3, 4	2 MW	4 MW	2 MW

Table 7-5: Capacity Allocations for Public Schools Subcategories for 2026-27 Program Year

Public School Subcategory	School Tier	Project Size		
Total of 132 MW		≤250 kW	>250 - 1,000 kW≤	>1,000 - 5,000 kW
DG (99 MW)	Tier 1, 2 and EJC (69.30 MW)	17.325	34.650	17.325
	Tier 3, 4 (29.70 MW)	7.425	14.850	7.425
CS (33 MW)	Tier 1, 2 and EJC (23.10 MW)	5.775	11.550	5.775
	Tier 3, 4 (9.90 MW)	2.475	4.950	2.475

Table 7-6: Capacity Allocations for Public Schools Subcategories for 2027-28 Program Year

Public School Subcategory	School Tier	Project Size		
Total of 110 MW		≤250 kW	>250 - 1,000 kW≤	>1,000 - 5,000 kW
DG (82.50 MW)	Tier 1, 2 and EJC (57.75 MW)	14.4375	28.8750	14.4375
	Tier 3, 4 (24.75 MW)	6.1875	12.3750	6.1875
CS (27.50 MW)	Tier 1, 2 and EJC (19.25 MW)	4.8125	9.6250	4.8125
	Tier 3, 4 (8.25 MW)	2.0625	4.1250	2.0625

7.4.4.2 Public School Undersubscription Challenges

Despite the Public Schools category having 147.07 MW of capacity in the 2024-25 Program Year, only 8.5 MW had been awarded program capacity as of June 30, 2025. Only 8 CS Public Schools projects

and 37 Public Schools DG projects have been ICC-approved since the category was introduced. While project participation remains limited, the Agency has developed an array of resources to provide prospective customers with additional Program information and understanding. Additionally, with such a low relative participation rate for the Public schools category, ahead of this Draft 2026 Long-Term Plan, the Agency sought stakeholder feedback to better understand the potential barriers and decision-making challenges that public schools are facing that may be directly impacting their consideration to install solar and participate in Illinois Shines. Further, the Agency requested suggestions on solutions to these barriers. Stakeholder feedback consistently noted that the 20-year contract structure with payments timed commensurate with REC deliveries prescribed by law—which is not present for any other distributed generation contracts, all of which feature some form of prepayment of incentives for expected REC production—is challenging for schools. Another consistent theme across stakeholder comments was the difficulty posed by the land ownership requirement, as public schools do not necessarily own spare land suitable for solar siting. Both concerns raised in stakeholder feedback are associated with statutory obligations which are beyond what the Agency is able to change through this 2026 Long-Term Plan.

The final challenge highlighted across many stakeholder comments was the difficulty schools face was long project lead times as a result of interconnection queues and long decision-making timelines. The Agency remains committed to supporting projects in this category where it can and has been closely monitoring these issues. The Agency will seek to adopt a multi-faceted approach to help improve uptake of this category, including exploring options for wrap-around services and increased outreach and education on the Program. The Agency is continuing to shape this approach and continues to welcome stakeholder feedback as it does so. The Agency will publish a public-facing outreach plan specific to the Public Schools category in Fall 2025, so that efforts planned to increase activity in this category are transparent to both Program participants and the market as a whole.

7.4.5 Community-Driven Community Solar

The Community-Driven Community Solar ("CDCS") category intends to provide more direct and tangible connection and benefits to communities beyond projects developed via the Program's TCS category. Section 1-75(c)(1)(K)(v) of the IPA Act states that "[a]t least 5% from community-driven community solar projects intended to provide more direct and tangible connection and benefits to the communities which they serve or in which they operate and, additionally, to increase the variety of community solar locations, models, and options in Illinois." The CDCS category includes community solar projects up to 5 MW that meet the criteria to be classified as community-driven. These projects are intended to provide benefits to the communities in which they operate, meaning that a CDCS project is required to be geographically located within the same community that the project serves.[467]

The IPA Act defines "community" as a social unit in which people come together regularly to effect change; a social unit in which participants are marked by a cooperative spirit, a common purpose, or shared interests or characteristics; or a space understood by its residents to be delineated through geographic boundaries or landmarks. For the purposes of this CDCS category, in Cook, DuPage, Kane, Lake, McHenry, and Will counties, a "community" may be defined by a social unit but also will be geographically limited to township as these are the most populated counties in the State. In all other

[467] Final Order at 52, ICC Docket No. 23-0714 (Feb. 20, 2024).

counties State-wide, "community" may likewise be defined by social unit but will be geographically limited to the county level, as many townships within these counties can be sparsely populated.

At the opening of each Program Year, the Agency will have a 90-day period for CDCS projects to be submitted prior to any project selection. After the close of that 90-day period, the Agency will review projects submitted and score them according to the project selection process described below. The Agency will endeavor to complete the review, scoring, and selection process within 90 days of the close of the application window for the category. Projects will be selected in order from projects with the highest score to projects with the lowest score based on the below scoring mechanism until the capacity for the Community-Driven Community Solar block is filled.

7.4.5.1 Community-Driven Community Solar Selection Criteria

Section 1-75(c)(1)(K)(v) of the IPA Act~~, as amended by Public Act 102-0662,~~ provides that the Agency shall develop selection criteria for projects participating in this category. **Primary selection criteria include:**

- Community ownership or community wealth-building through having a minimum of 50% of the ownership of the project held by community residents or non-profit organizations which directly serve the community where the project is located. This includes having members of the community being able to participate in decisions regarding the governance, operation, maintenance, and upgrades of and to the project; and members of that community benefiting from the project through subscriptions to the project.
- Additional direct and indirect community benefits, beyond project participation as a subscriber, including, but not limited to, economic, environmental, social, cultural, and physical benefits. The application must quantify the value of these benefits and they must represent at least 20% of the value of the REC Contract.
    - Direct benefits include, but are not limited to, financial benefits for the owner(s) and subscribers, such as bill savings, revenues from project ownership, tax credits, and the financial value of the project, as well as job creation, direct income, and increased economic activity in the defined geographic community.
    - Indirect benefits include, but are not limited to, demonstration of environmental, educational, and cultural benefits.
- Meaningful involvement in project organization and development by community members, nonprofit organizations, or public entities located in or serving the community.[468]
    - Meaningful involvement as used herein includes, but is not limited to, a process that consists of public input, participation and engagement in the project design process, including workshops, webinars, and public comment periods all of which afford stakeholders (those that have an interest or stake in an issue, such as individuals, interest groups, and communities) the opportunity to influence decisions that impact their community.
- Engagement in project operations and management by nonprofit organizations, public entities, or community members.[469]

[468] Involvement in project organization and development is community involvement that occurs during the project development phase (prior to project energization).

[469] Engagement in project operations and management is an ongoing community engagement that occurs as projects are built, operated, and maintained.

  - Engagement as used herein can mean, but is not limited to, continuous community participation and consultation as projects are built, operated, and maintained in a way that affords opportunities for the community to weigh in on and make decisions regarding the project.
- Whether a project is developed in response to a site-specific RFP developed by community members, or a nonprofit organization or public entity located in or serving the community.

Sufficient demonstration of any of the individual primary selection criteria will be worth up to four (4) points each in the scoring system.

Demonstration of any of these **primary selection criteria** shall be accomplished through a detailed written narrative description that includes firm commitments and evidence as to how any benefits, resources, and wealth-building will flow to the community that will host the Community-Driven Community Solar project. Additionally, any community engagement activities and planned community ownership must be documented in a detailed manner in this narrative.

Section 1-75(c)(1)(K)(v) of the IPA Act~~, as amended by Public Act 102-0662,~~ also ~~detailed~~details the following **secondary selection criteria** to prioritize CDCS projects that:

- are developed in collaboration with or to provide complementary opportunities for the Clean Jobs Workforce Network Program, the Illinois Climate Works Preapprenticeship Program, the Returning Residents Clean Jobs Training Program, the Clean Energy Contractor Incubator Program, or the Clean Energy Primes Contractor Accelerator Program
  - Complementary opportunities as used herein includes, but is not limited to: utilizing graduates of job training programs in project development; hiring job training graduates permanently for future projects, not just the applicant project; an expansion of the goals of the job training programs to include 'business training,' on how to develop a project, get financing, recruit customers, etc.
- increase the diversity of locations of community solar projects in Illinois, including by locating in urban areas and population centers[470]
- are located in Equity Investment Eligible Communities[471]
- are developed in collaboration with local public schools in order to provide experiential learning opportunities or an educational program utilizing the system
- are not greenfield projects[472]
- serve only local subscribers[473]
- have a nameplate capacity that does not exceed 500 kW

[470] The most recent census data will be used to determine the population- density- of the locality (meaning city, town, or village). This resource can be used to determine the boundaries of the locality:- https://illinois.hometownlocator.com/cities/listcitiesalpha,alpha,a.cfm- Please note in this 2024 Long-Term Plan the Agency has shifted to utilizing population- *density*- for this scoring criterion, rather than population levels.

[471] Equity investment Eligible Communities are defined as 1) R3 Areas as established pursuant to the Cannabis Regulation and Tax Act, and 2) Environmental Justice Communities as established through Illinois Solar for All program. For maps and address lookup tools for these areas, see:- ~~https://r3.illinois.gov/eligibility and~~

~~https://elevate.maps.arcgis.com/apps/webappviewer/index.html?id=d87a45c18a5c4e0fa96c1f03b6187267~~ https://r3.illinois.gov/eligibility and https://elevate.maps.arcgis.com/apps/webappviewer/index.html?id=d87a45c18a5c4e0fa96c1f03b6187267

[472] Projects that are developed as agrivoltaics for the purpose of this category will not be considered greenfields.

[473] Local subscribers are subscribers in the same county as the project, or if that project's county population is below 50,000, then also in adjacent counties.

- are developed by an equity eligible contractor; or
- otherwise meaningfully advance the goals of providing more direct and tangible connection and benefits to the communities which they serve or in which they operate and increasing the variety of community solar locations, models, and options in Illinois.

Sufficient demonstration of any of the individual **secondary selection criteria** will be worth up to two (2) points each in the scoring system.

Demonstration of any of these additional selection criteria shall be accomplished through a detailed written narrative description separate from the narrative provided for the primary selection criteria outlined directly above. Evidence of any/all additional selection criteria that are applicable to the applicant's Community-Driven Community Solar project should be outlined as comprehensively as possible in this narrative.

Selection of projects will be based on total points awarded up to the category's block size. To avoid prioritization of a project that does not have community-based support, the Agency will require a minimum score of six (6) points for project category qualification. Random selection will only be utilized as a tie-breaker for equally scored projects to fill available capacity, if any; however, should the capacity available be so small so as to only accommodate one or more projects below a certain size, then the Agency may consider only selection of those projects small enough to not exceed that remaining capacity.

After project selection for any given delivery year is complete, projects that were not selected and that have a minimum score of at least ten (10) points will be placed on a waitlist for the following delivery year. The increase in the minimum score requirement is to ensure the quality of projects carried over from year to year.

The Agency recognizes that as Community-Driven Community Solar is a new type of community solar for Illinois and introduces a variety of new ways of evaluating project types, the first few years of the category should be viewed as an opportunity to learn how communities choose to organize and develop projects. Only after several rounds of project selection will it be possible to evaluate if the approach the Agency is proposing for project selection is successful in creating a diversity of community solar projects and organizational structures in Illinois.

7.4.5.2 Community-Driven Community Solar Scoring Rubric

The Agency developed the following rubric to be utilized to review and assign scores to Community-Driven Community Solar projects based on the Primary and Secondary selection criteria and the Program Administrator will use this scoring rubric for awarding points available under the primary and secondary criteria outlined above.

~~Table 7-6: Community-Driven Community Solar Primary Selection Criteria Rubric~~

Primary Selection Criteria – *Maximum of 20 points available*				
Criteria	**1 Point**	**2 Points**	**3 Points**	**4 Points**
A. Community ownership or community wealth-building through having a minimum of 50% of the ownership of the project held by community residents or non-profit organizations which directly serve the community where the project is located. This would include having members of the community being able to participate in decisions regarding the governance, operation, maintenance, and upgrades of and to the project; and members of that community benefiting from the project through subscriptions to the project.	30% ownership	50% ownership	70% ownership	≥ 80% Ownership
B. Additional direct and indirect benefits, beyond project participation as a subscriber, including, but not limited to, economic, environmental, social, cultural, and physical benefits. The application must quantify the value of these benefits over the 15 years of the REC contract and they must represent at least 20% of the REC contract value. •Direct benefits can include, but are not limited to, financial benefits for the owner(s) and subscribers, such as bill savings, revenues from project ownership, tax credits, and the financial value of the project, as well as job creation, direct income, and increased economic activity in the defined geographic community. •Indirect benefits can include, but are not limited to, demonstration of environmental, educational, and cultural benefits.	20% of REC contract value	25% of REC contract value	30% of REC contract value	≥ 35% of REC contract value
C. Meaningful involvement in project organization and development by community members, non-profit organizations, or public entities located in or serving the community. •Meaningful involvement in project organization as used herein can mean, but is not limited to, a process that consists of public input, participation and engagement in the project design process, including workshops, webinars, and public comment periods all of which afford stakeholders (those who have an interest or stake in an issue, such as individuals, interest groups, and communities) the opportunity to influence decisions that impact their community.	**3 or fewer** community members or organizations engaged in **Moderate** project organization and development	**3 or fewer** community members or organizations engaged in **Substantial** project organization and development	**4 or more** community members or organizations engaged in **Moderate** project organization and development	**4 or more** community members or organizations engaged in **Substantial** project organization and development
D. Engagement in project operations and management by nonprofit organizations, public entities, or community members. •Engagement as used herein can mean, but is not limited to, continuous community participation and consultation as projects are built, operated, and maintained in a way that affords opportunities for the community to weigh in on and make decisions regarding the project.	Minimal community members' or organizations' involvement or plans for involvement in project operations and management	Moderate community members' or organizations' involvement or plans for involvement in project operations and management	Substantial community members' or organizations' involvement or plans for involvement in project operations and management	Extensive or more community members' or organizations' involvement or plans for involvement in project operations and management
E. Whether the project is developed in response to a site-specific RFP developed by community members, or a non-profit organization or public entity located in or serving the community.	-	-	-	Was indeed developed in response to site-specific RFP

Table 7-7: Community--Driven Community Solar ~~Secondary~~Primary Selection Criteria Rubric

Secondary Selection Criteria – *Maximum of 16 points available*		
Criteria	**1 Point**	**2 Points**
A. Projects that are developed in collaboration with or to provide complementary opportunities for the Clean Jobs Workforce Network Program, the Illinois Climate Works Pre-apprenticeship Program, the Returning Residents Clean Jobs Training Program, the Clean Energy Contractor Incubator Program, or the Clean Energy Primes Contractor Accelerator Program. •Complementary opportunities as used herein can mean, but is not limited to: utilizing graduates of job training programs in project development; hiring job training graduates permanently for future projects, not just the applicant project; an expansion of the goals of the job training programs to include 'business training,' on how to develop a project, get financing, recruit customers, etc.	Provide complementary opportunities to listed programs	Developed in collaboration with listed programs
B. Projects that increase the diversity of locations of community solar projects in Illinois, including by locating in urban areas and population centers.	Population density of locality is 500-2,000 people per square mile *(Locality meaning city, town, or village)*	Population density of locality is greater than 2,000 people per square mile *(Locality meaning city, town, or village)*
C. Projects that are located in Equity Investment Eligible Communities.	-	Whole project needs to be sited in EIEC; projects that are only partially in an EIEC will be reviewed on case-by-case basis.
D. Projects that are not greenfield projects.	-	**Definition of greenfield:** Greenfield project means a project proposed at a site that is either previously undeveloped land or agricultural land **and** that does not meet the definition of a brownfield site. Projects that are developed as agrivolatics for the sake of this category will not be considered greenfields.
E. Projects that serve only local subscribers. *Local subscribers are subscribers in the same county as the project, or if that project's county population is below 50,000, then also in adjacent counties.*	-	Need to serve local subscribers for the length of REC contract.
F. Projects that have a nameplate capacity that does not exceed 500 kW.	-	Nameplate capacity (project AC size) is 500 kW or less.
G. Projects that are developed by an equity eligible contractor.	-	All development work is done by the EEC.[1]
H. Projects that otherwise meaningfully advance the goals of providing more direct and tangible connection and benefits to the communities which they serve or in which they operate and increasing the variety of community solar locations, models, and options in Illinois.	Need to both provide connection/benefits **OR** increase variety of locations/models/options	Need to both provide connection/benefits **AND** increase variety of locations/models/options

[1] *For purposes of this category, "project development work" refers to all construction and electrical work on a project, and project-specific site assessment work such as permitting, legal, and other site-specific development work, including work that may have already been undertaken prior to project application. Non-site specific development functions (such as general sales and marketing activities) will not be considered as project development work. This definition also differs from the "project workforce" definition utilized for the Minimum Equity Standards as outlined in P.A. 102-0662, for which a firm's Illinois-based employees are included in the "project workforce" regardless of function.*

Primary Selection Criteria – *Maximum of 20 points available*				
Criteria	**1 Point**	**2 Points**	**3 Points**	**4 Points**
A. Community ownership or community wealth-building through having a minimum of 50% of the ownership of the project held by community residents or non-profit organizations which directly serve the community where the project is located. This would include having members of the community being able to participate in decisions regarding the governance, operation, maintenance, and upgrades of and to the project; and members of that community benefiting from the project through subscriptions to the project.	30% ownership	50% ownership	70% ownership	≥ 80% Ownership
B. Additional direct and indirect benefits, beyond project participation as a subscriber, including, but not limited to, economic, environmental, social, cultural, and physical benefits. The application must quantify the value of these benefits over the 15 years of the REC contract and they must represent at least 20% of the REC contract value. • Direct benefits can include, but are not limited to, financial benefits for the owner(s) and subscribers, such as bill savings, revenues from project ownership, tax credits, and the financial value of the project, as well as job creation, direct income, and increased economic activity in the defined geographic community. • Indirect benefits can include, but are not limited to, demonstration of environmental, educational, and cultural benefits.	20% of REC contract value	25% of REC contract value	30% of REC contract value	≥ 35% of REC contract value
C. Meaningful involvement in project organization and development by community members, non-profit organizations, or public entities located in or serving the community. • Meaningful involvement in project organization as used herein can mean, but is not limited to, a process that consists of public input, participation and engagement in the program design process, including workshops, webinars, and public comment periods all of which afford stakeholders (those who have an interest or stake in an issue, such as individuals, interest groups, and communities) the opportunity to influence decisions that impact their community.	**3 or fewer** community members or organizations engaged in **Moderate** project organization and development	**3 or fewer** community members or organizations engaged in **Substantial** project organization and development	**4 or more** community members or organizations engaged in **Moderate** project organization and development	**4 or more** community members or organizations engaged in **Substantial** project organization and development
D. Engagement in project operations and management by nonprofit organizations, public entities, or community members. • Engagement as used herein can mean, but is not limited to, continuous community participation and consultation as projects are built, operated, and maintained in a way that affords opportunities for the community to weigh in on and make decisions regarding the project.	Minimal community members' or organizations' involvement or plans for involvement in project operations and management	Moderate community members' or organizations' involvement or plans for involvement in project operations and management	Substantial community members' or organizations' involvement or plans for involvement in project operations and management	Extensive or more community members' or organizations' involvement or plans for involvement in project operations and management
E. Whether the project is developed in response to a site-specific RFP developed by community members, or a non-profit organization or public entity located in or serving the community.	-	-	-	Was indeed developed in response to site-specific RFP

Table 7-8: Community-Driven Community Solar Secondary Selection Criteria Rubric

Secondary Selection Criteria – *Maximum of 16 points available*		
Criteria	**1 Point**	**2 Points**
A. Projects that are developed in collaboration with or to provide complementary opportunities for the Clean Jobs Workforce Network Program, the Illinois Climate Works Pre-apprenticeship Program, the Returning Residents Clean Jobs Training Program, the Clean Energy Contractor Incubator Program, or the Clean Energy Primes Contractor Accelerator Program. • Complementary opportunities as used herein can mean, but is not limited to: utilizing graduates of job training programs in project development; hiring job training graduates permanently for future projects, not just the applicant project; an expansion of the goals of the job training programs to include 'business training,' on how to develop a project, get financing, recruit customers, etc.	Provide complementary opportunities to listed programs	Developed in collaboration with listed programs
B. Projects that increase the diversity of locations of community solar projects in Illinois, including by locating in urban areas and population centers.	Population of locality is 50,000 – 69,999 *(Locality meaning city, town, or village)*	Population of locality is 70,000 or more *(Locality meaning city, town, or village)*
C. Projects that are located in Equity Investment Eligible Communities.	-	Whole project needs to be sited in EIEC; projects that are only partially in an EIEC will be reviewed on case-by-case basis.
D. Projects that are developed in collaboration with local public schools in order to provide experiential learning opportunities or an educational program utilizing the system. *(Maximum of 1 point available for this criterion)*	Must submit a plan to provide experiential learning opportunities or an educational program utilizing the system with a specific local school	-
E. Projects that are not greenfield projects.	-	**Definition of greenfield:** Greenfield project means a project proposed at a site that is either previously undeveloped land or agricultural land **and** that does not meet the definition of a brownfield site or contaminated land. Projects that are developed as agrivoltaics for the sake of this category will not be considered greenfields.
F. Projects that serve only local subscribers. *Local subscribers are subscribers in the same county as the project, or if that project's county population is below 50,000, then also in adjacent counties.*	-	Need to serve local subscribers for the length of REC contract.
G. Projects that have a nameplate capacity that does not exceed 500 kW.	-	Nameplate capacity (project AC size) is 500 kW or less.
H. Projects that are developed by an equity eligible contractor.	-	All development work is done by the EEC.[1]
I. Projects that otherwise meaningfully advance the goals of providing more direct and tangible connection and benefits to the communities which they serve or in which they operate and increasing the variety of community solar locations, models, and options in Illinois.	Need to both provide connection/benefits **OR** increase variety of locations/models/options	Need to both provide connection/benefits **AND** increase variety of locations/models/options

[1] For purposes of this category, "project development work" refers to all construction and electrical work on a project, and project-specific site assessment work such as permitting, legal, and other site-specific development work, including work that may have already been undertaken prior to project application. Non-site specific development functions (such as general sales and marketing activities) will not be considered as project development work. This definition also differs from the "project workforce" definition utilized for the Minimum Equity Standards as outlined in P.A. 102-0662, for which a firm's Illinois-based employees are included in the "project workforce" regardless of function.

7.4.5.3 Community-Driven Community Solar Developer Cap

In the version of the 2024 Long-Term Plan filed in October 2023, the IPA proposed a 20% developer cap for any affiliated[474] project developers for this Community-Driven Community Solar category for each Program Year to be applied across total megawatts of block capacity, rather than the number of contracts awarded, regardless of whether the category fills on the first day. The Agency proposed that any affiliated family of project developers which exceeded 20% of the capacity in a given year's Community-Driven Community Solar block (determined separately for Groups A and B) would have any projects that cause them to exceed the 20% capacity cap moved to the waitlist for the applicable group. In the litigation surrounding the approval of the 2024 Plan before the Commission, participants in the proceeding objected to the application of this developer cap. In Response to Objections, the Agency recognized that the imposition of a developer cap in the CDCS category at this time may be premature and result in the abandonment of projects, communities, and ultimately the CDCS category.[475] As a result, the Agency withdrew this proposal and stated that if applications in the CDCS category continue to exceed capacity, the IPA will consider changes under the next iteration of the Long-Term Plan, including but not limited to the imposition of a developer cap and potentially adjustments to the scoring of the category. The Commission approved the Agency's withdrawal of the proposed developer cap in its Final Order.[476] Accordingly, there ~~will be~~was no developer cap in the Community-Driven Community Solar category under ~~this~~the 2024 Plan.

The Agency did consider a developer cap again for this 2026 Long-Term Plan. However, the Agency received stakeholder feedback that was overwhelmingly against this suggestion. Based on this feedback, the Agency has decided not to propose any changes under this iteration of the Long-Term Plan.

7.4.5.4 Community-Driven Community Solar Random Selection Process

If further ordering is required across first-day projects (for instance, ordering of projects featuring the same score where projects receiving that score span across selected and unselected capacity within that block), the Agency will utilize a random selection process to create a rank-order within those equivalently-scored projects. This process would only be utilized by the Agency if/when the need arises based on the block capacity represented by first-day applications received and a need to differentiate between equivalently scored projects. During the random selection process, all projects will be assigned a random number using a command line script random number generator. Projects then are sorted by score first and by randomly assigned numbers second, as this breaks ties between projects with the same score.

7.4.6 Equity Eligible Contractor

The Equity Eligible Contractor category features both distributed generation and community solar projects that have been submitted to the Program by Approved Vendors certified as Equity Eligible

474 ~~"Affiliated" means, with respect to any entity, any other entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with each other or a third entity. "Control" means the possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Affiliates may not have shared sales or revenue-sharing arrangements, or common debt and equity financing arrangements.~~ See Section 9.4.2. of this Plan for information on how the Agency considers affiliation and control.

475 IPA Ver. Resp. to Objections at 30, ICC Docket No. 23-0714 (filed Dec. 1, 2023).

476 Final Order at 52, ICC Docket No. 23-0714 (Feb. 20, 2024).

Contractors under Section 7.7.2 of this Plan.[477] Section 1-75(c)(1)(K)(vi) provides that at least 10% of the capacity of the Program shall come from projects submitted by applicants that are EEC certified. EEC certified Approved Vendors may also submit projects into other Program categories and are not limited to the EEC category. Section 1-75(c)(1)(K)(vi) also directs the Agency to increase the category's capacity allocation to 40% over time.

In the 2022 Long-Term Plan as approved by the Commission on July 14, 2022, the Agency had proposed that for the 2022-23 and the 2023-24 Program Years, to give the market for EEC projects time to develop, the Agency would not increase the portion the Program allocated to EEC projects above the minimum 10% level. Due to the high level of community solar applications submitted to the EEC Group A category on November 1, 2022, the Agency proposed in its December 2, 2022, Modified 2022 Long-Term Plan a revised approach to the administration of the EEC category, which was ultimately approved by the Commission on May 4, 2023.

In the Modified 2022 Plan as approved by the Commission on Reopening, the Agency created specific subcategories within the EEC category for specific project types starting in the 2023-24 Program Year. The Agency ~~will maintain~~maintained those subcategories under ~~this~~the 2024 Long-Term Plan, and expects to do again in this 2026 Long-Term Plan. Likewise, the Agency will maintain REC prices for EEC projects that are equal to prices for the comparable distributed generation or traditional community solar projects (which would recognize variations in project size and geographic location).

The IPA continues to work toward reducing and eliminating barriers to participation by Equity Eligible Persons ("EEPs") in all of its programs to the fullest extent possible. The Agency regularly solicits feedback from stakeholders and EEC Program participants on the subject of eliminating or reducing barriers to participation in IPA programs in order to increase participation by EEPs in the Program. ~~The Agency solicits this input through stakeholder feedback processes, EEC roundtable discussions, and individual discussions between the Program Administrator's EEC Sector Strategist and EECs. Specifically, the Agency was tasked with convening a stakeholder feedback process to gain insight into common company ownership structures and methods for ensuring that entities seeking EEC certification are truly and permanently controlled by and benefit EEPs.[478] In approving the 2022 Long-Term Plan, the Commission noted with approval the IPA's "commitment to continue to monitor this ABP category and to work with stakeholders to identity barriers and streamline the process." Through initial drafting of the 2024 Long-Term Plan, the Agency sought feedback on several topics regarding EECs, including but not limited to ownership structures.[479] More on this feedback request and related proposals can be found in Chapter 10 of this Plan. In approving this 2024 Plan with modifications, the Commission directed the Agency to hold further workshops prior to the opening of the next Program Year to develop additional options for the EEC-specific elements of the Program; these findings are discussed in more detail in Chapter 10 of this Plan.[480]~~Further discussion of Agency

[477] An Equity Eligible Contractor that wishes to develop a CDCS project, that project must be submitted to the CDCS category. Similarly, an EEC that wishes to obtain a 20-year REC Contract for a project under the Public Schools category must submit the project within that category.

~~[478] Order on Reopening at 9, ICC Docket No. 22-0231 (May 4, 2023).~~

~~[479] See Stakeholder Feedback Request for the drafting of the 2024 IPA Long-Term Plan: Chapter 10 and Chapter 7 both include questions related to EEC participation; Stakeholder feedback on EEC criteria release April 2023: https://illinoisshines.com/wp-content/uploads/2023/04/20230411-final-feedback-request-adjusting-eec-criteria.pdf~~

~~[480] Final Order at 138, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

efforts to eliminate barriers facing EEP participation and related stakeholder feedback can be found in Chapter 10.

7.4.6.1 Equity Eligible Contractor Advance of Capital

Section 1-75(c)(1)(K)(iv) of the IPA Act allows for the potential "advance of capital" under equity eligible contractor REC delivery contracts for projects submitted to the EEC Category[481] "upon a demonstration of qualification or need[.]" Specifically, the Act provides that:

> *The Agency shall propose a payment structure for contracts executed pursuant to this paragraph under which, upon a demonstration of qualification or need, applicant firms are advanced capital disbursed after contract execution but before the contracted project's energization. The amount or percentage of capital advanced prior to project energization shall be sufficient to both cover any increase in development costs resulting from prevailing wage requirements or project-labor agreements and designed to overcome barriers in access to capital faced by equity eligible contractors.*

~~This Plan allows up to 50% of contract value to be advanced to an EEC-certified Approved Vendor under this provision. The Agency may award an~~Further discussion regarding advance ~~that is less than requested by the EEC.~~

~~One significant challenge with advancing~~ of capital ~~is the risk of projects not being completed and those ratepayer funds potentially being lost. That risk is different from all other contract structures~~can be found in ~~Illinois Shines that call for payments only upon project energization. To guard against waste, fraud, or abuse, the IPA believes advanced capital authorizations should be limited to only genuine cases of need and to certain project sizes.~~

~~As discussed further in Chapter 10, the Agency is concerned that the minimum statutory criteria for qualifying as an Equity Eligible Contractor may be encouraging business models which, while arguably meeting the statutory "Equity Eligible Contractor" definition, may not be "successful in advancing priority access to the clean energy economy for businesses and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes" as required by~~ Section ~~1-75(c-10) of the Act.~~ 10.1.2.

~~In determining what demonstrates genuine need, the IPA has limited experience since CEJA passed, having reviewed only one set of such requests. As such, the IPA believes it needs flexibility to tailor and adjust criteria as it continues to learn what constitutes "need" and how an EEC can most effectively demonstrate that "need." Thus, the draft 2024 Long-Term Plan proposed that, in lieu of a rigid scoring rubric, any advance of capital request should include and will be evaluated on at least the criteria below:~~

- ~~The strength of the EEC's narrative description outlining the EEC's need for capital advancement due to its status as an EEC, including a discussion of structural barriers faced~~

[481] For the 2022-~~2023~~23 Program Year, Equity Eligible Contractors were allowed to request an advance of capital for DG projects submitted to other Illinois Shines categories to account for the earlier-than expected closing of the EEC category. Please see Section 7.4.6.3 for more details. That exception ended after the 2022-23 Program Year; only projects applied to the EEC Category are now eligible for an advance of capital.

by that specific EEC, barriers to capital access, and why that specific level of capital advancement is requested;
- The specific costs that the capital advancement will address (equipment, permitting, professional services, interconnection costs, REC delivery contract deposits, etc.);
- The number and scale of projects previously submitted into IPA programs by the EEC or any of its owners or affiliates;
- Planned project partners and subcontractors (and specifically, the scale and sophistication of those firms);
- The financial picture facing the EEC, including its owners and affiliates, as demonstrated through balance sheets, cash flow statements, tax returns, and similar documentation;
- The degree of Equity Eligible Person involvement in the development, ownership, and management of the applicant EEC.

The Agency sought feedback on these criteria and any additional criteria that should be included. With the exception of one entity, Commenters generally supported establishing a more thorough review process, with some requesting more stringent criteria to be met prior to granting a request for a capital advance. The Agency considered these comments in tandem with comments received on related topics, such as including a socio-economic criterion in certifying Equity Eligible Persons that qualify based on residency in an EIEC, given gentrification patterns in the State.

The Agency believes that the previous experience of the EEC or any of its affiliates (such as companies with a minority ownership share) is a strong indicator of the EEC's ability to access capital from other sources. Past ability to develop and finance projects that succeeded in receiving a REC contract speak to the applicant's knowledge of project finance and that the entity has a track record to rely upon when seeking financing partners. This would similarly apply to minority-owners where those entities are involved in the project development.

Additionally, the size of the project for which the EEC is requesting an advance speaks to the sophistication of the EEC and its ability to competently develop a large, complex project. The Agency finds it difficult to square a claim of inexperience and lack of resources with an EEC that has successfully developed a large community solar project application with a REC contract value in the millions. The advance of capital and the EEC Category itself is intended to support those that have been unable to break into the clean energy sector due to systemic and structural barriers faced as an EEP – not entities (or their affiliates) that already have the expertise and skills to develop multi-million-dollar projects. Again, the Agency understands that some EEPs will want to partner with more experienced AVs to learn from them; the Agency does not wish to prohibit those arrangements. However, if that partner AV is able to assist that EEC to develop multi-million-dollar project applications, it is difficult for the Agency to understand why that partner AV would not similarly be able to assist the EEC in accessing capital.

For all of these reasons, the Agency will cap requests for advance of capital to the lesser of $750,000 or 50% of the REC incentive. These are maximums; the Agency may approve less than the amount requested. The Agency will also cap the size of REC contracts eligible for an advance of capital to $1.5 million in total REC incentives. This cap will be for a single project – if an EEC requests advances for multiple projects, there will be a cap on the cumulative total of advances awarded in a single Program Year of $5 million.

~~The advance of capital option is just that – an advance of the REC incentives that have already been awarded to the project via the REC delivery contract. The caps on the advance do not impact the total amount of incentives that any project would receive upon energization. The advance is also an option; EECs are not required to request one, and the Agency is not required to approve any such request.~~

~~The Agency developed a rubric upon which it will evaluate requests for an advance of capital after accepting public comment.[482] The rubric includes elements related to the issues described above, such as the number of projects previously developed by the EEC or its affiliates, project characteristics, and size and financial resources of the EEC and its affiliates. The request should also specify what project development milestone will trigger the advanced capital disbursement. Submissions shall be reviewed by the Program Administrator and Agency staff, and adverse determinations may be appealed to the IPA.~~

~~Given the sensitivity of information sought through an advance of capital application, the IPA commits to the protection of any information identified by the EEC as confidential, proprietary, or otherwise exempt from disclosure within the advance of capital request.~~

~~Once a project has been Part I verified and the contract or product order approved by the Commission, the EEC will then submit verification of achievement of the specified milestones to the Agency for review and approval. The EEC will then invoice the utility for the advancement following the regular invoicing process and the utilities will process this invoice following the same, with the payments made by the contracting utility on the regular monthly invoicing cycle.~~

~~Where a project that has received an advance of capital is not completed and the EEC does not return the advanced funds, that EEC and any affiliates will face disciplinary action and will not be eligible to submit additional project applications to the Program until, at minimum, that debt is paid.~~

~~As outlined Section 1-75(c)(1)(K)(vi) of the IPA Act, once the advance of capital is approved by the Agency, the capital will be disbursed with the following limitation on payments:~~

> ~~*Capital advanced prior to energization shall serve to reduce the ratable payments made after energization … or payments made for each renewable energy credit delivery under item (iv) of subparagraph (L).*~~

7.4.6.2 EEC Eligibility

Section ~~7.7.2~~7.7.2 of this Plan describes in detail the requirements for an Approved Vendor to become certified as an Equity Eligible Contractor. Eligibility for this category is limited to Approved Vendors who qualify as an EEC. Equity Eligible Contractor Approved Vendors may choose to work with Designees or on their own, and those Designees may or may not also be EEC qualified. However, Approved Vendors that are not EECs but partner with a Designee that qualifies an Equity Eligible Contractor are ineligible to submit projects to the EEC category.[483]

While the Agency understands that there may be interest in models where a Designee is an Equity Eligible Contractor, but they operate under an Approved Vendor who is not an Equity Eligible Contractor, the Agency cannot reconcile that with Section 1-75(c)(1)(K)(iv) of the IPA Act's

[482] ~~See Program Guidebook at 205. https://illinoisshines.com/wp-content/uploads/2024/04/PY2024-25-Program-Guidebook-4-18-24-FINAL.pdf.~~

[483] See Final Order at 70-71, ICC Docket No. 22-0231, Final Order (Jul. 14, 2022).

requirement that this category is for projects "from applicants that are equity eligible contractors." Applicants in the Program are Approved Vendors, as they are ultimately the entity that holds the REC delivery contract with a utility. The concept of a Designee was developed by the Agency to ensure that Program requirements and accountability flow through to the entities involved in sales, marketing, subscriber acquisition, construction, and installation. It does not change who is the applicant into the Program, as Designees are not permitted to submit project applications to the Program. The Agency also hopes that this approach will minimize the risk that entities that are not Equity Eligible Contractors inappropriately benefit from this category.

Projects that are developed by Approved Vendors certified as Equity Eligible Contractors and receive a REC Contract through the EEC block of capacity may not assign those contracts to an Approved Vendor that is not also a certified Equity Eligible Contractor for six years after the Part II verification date of the project. After six years from the Part II verification date has passed, this moratorium on assigning EEC REC Contracts to Approved Vendors that are not certified as an EEC is lifted.

7.4.6.3 Modifications to the EEC Category Made Upon Reopening in 2022-23 Program Year

In Program Year 2022-23, the Agency witnessed a large and unexpected oversubscription of the EEC category that required the reopening and modification of the Agency's 2022 Long-Term Plan. The Agency sought the Commission's approval on several matters related to the EEC category including EEC capacity allocation, subcategories in the EEC category, an EEC developer cap, and prioritization of waitlisted EEC projects.

In order to accommodate the oversubscribed category the Commission approved the IPA's preferred approach in its Modified 2022 Long-Term Plan to increase the annual block to accommodate submitted projects but also maintaining the planned capacity for the 2023-24 Program Year, with any unallocated 2022-23 Program Year capacity from other categories used to meet that EEC Group A block size increase (and thus not rolled over to the 2023-24 Program Year), so as to net out total capacity to the extent possible.

Additionally, the Agency's Modified 2022 Long-Term Plan added distributed generation and community solar subcategories ~~were developed and approved through the Agency's Modified 2022 Long-Term Plan~~to the EEC category. As the Agency continues to see an outsized number of community solar projects be submitted to the EEC category, the subcategories will continue in the Program Years covered by this ~~2024~~2026 Long-Term Plan, with no proposed percentage changes.

~~A~~The Modified 2022 Long-Term Plan also created a developer cap ~~was approved by the Commission that was only to be in effect~~triggered if the category was oversubscribed on the first day the block of annual capacity was open. The Agency saw oversubscription on the first day of the 2023-24 Program Year, thus triggering the developer cap, and could see this trend continue in future Program Years.

As outlined in Section 7.4.6.5 of ~~this~~the 2024 Long-Term Plan, the Agency has revised the developer cap outlined in the Agency's Modified 2022 Plan to bring that developer cap to align with the other developer caps used within the Program—and, in so doing, seeks to ensure a fair playing field among EEC AVs within the category.

7.4.6.4 EEC Subcategories

The IPA added structural features to the EEC category for Program Year 2023-24 in light of trends observed in the 2022-23 Program Year. While the community solar project applications severely oversubscribed Group A capacity in Program Year 2022-23 (and Group B also featured a substantial number of first day community solar applications), there were significantly fewer distributed generation projects submitted into the EEC category. The IPA understands that small and emerging Approved Vendors often start with distributed generation installations as they are more manageable in scale. If large community solar project applications continue to absorb the entire EEC category capacity, the IPA is concerned that the EEC category may fail to support smaller and newer businesses and equitably grow the number of EECs in the solar market.

Section 1-75(c)(1)(K)(vi) of the IPA Act authorizes the IPA to "create subcategories within this category to account for the differences between project size and type." Thus, the IPA created two subcategories within each Group of the EEC category: one for distributed generation and one for community solar through the modifications to the 2022 Long-Term Plan approved by the Commission in May 2023. In approving the creation of subcategories, the Commission found that it is sufficient to allocate of 25% of the EEC category's capacity to distributed generation projects.[484] The Agency will maintain the capacity of each Group to be split 75% for community solar and 25% for distributed generation. This split ensures that some capacity remains available for EECs seeking to develop distributed generation projects, especially as new EECs enter the market.

As the Agency is committed to providing opportunities for distributed generation projects that are developed by EECs, the Agency originally proposed in the filed 2024 Plan to end the process of reallocation of EEC subcategory capacity after nine months and instead reallocate capacity only as outlined in Section ~~7.3.4~~7.3.4 at the end of the Program Year. During litigation over the approval of ~~this~~the 2024 Plan, stakeholders raised objections to that proposal, seeking to reallocate capacity to waitlisted EEC projects in other subcategories prior to reallocation of uncontracted subcategory capacity as outlined in Section ~~7.3.4,~~7.3.4, above. In an effort to ensure that capacity remains available for EECs seeking to develop distributed generation projects as long as possible while also maintaining capacity designated for the EEC category, the Agency argued for the adoption of an eleven-month period to hold open individual EEC subcategories. The Commission agreed, stating that the use of an eleven-month period is justified by the reasons provided by the IPA and stakeholders in the proceeding.[485] ~~Consistent~~For the Program Years covered by this 2026 Long-Term Plan, consistent with the Commission's Final Order approving ~~this~~the 2024 Plan, the Agency will open EEC subcategory capacity to the entire category 11 months into the Program Year, and thereafter reallocate any uncontracted capacity in the category at the close of the Program Year following the process as outlined in Section ~~7.3.4.~~7.3.4.

7.4.6.5 EEC Developer Cap

Beginning with the 2023-24 Program Year, the Agency layered a developer cap on top of the subcategories, such that no single EEC (or any of its affiliates—which includes any common ownership across privately-owned entities) may receive more than 20% of an EEC category's Group capacity in a given Program Year. In accordance with the Commission's Order on Reopening in docket

[484] Order on Reopening at 14, ICC Docket No. 22-0231 (May 4, 2023).

[485] Final Order at 56-57, ICC Docket No. 23-0714 (Feb. 20, 2024).

No. 22-0231, the developer cap was applied in the 2023-24 Program Year due to the EEC community solar subcategory exceeding capacity on the first day.[486] Waitlisted projects that receive capacity in the 2023-24 Program Year were also subject to this developer cap. Additionally, the Commission has directed "that the developer cap cumulatively applies on the first day that the remaining DG capacity (if any) is made available to EEC community solar."[487] The Agency will apply this methodology in the current Program Year on the date that EEC DG capacity is made available to EEC CS waitlisted projects.

Even with defined subcategories and a developer cap applicable on the first day, the Agency may encounter a scenario in which it must somehow differentiate between projects of the same type, in the same group, submitted on the same day in the EEC category in 2023-24. For example, if the Program receives multiple, large, community solar project applications from different EECs on the first day of the Program Year that exceed that Group's allocation for community solar, some methodology must be used to distinguish between competing applications. The Agency does not at this time have a project scoring system for the EEC category, given the myriad policy considerations at play with the EEC category.

For the Program Years covered by this ~~2024~~2026 Long-Term Plan, the Agency will ~~have~~continue to employ a 20% developer cap for any affiliated family of project developers for the Equity Eligible Contractor capacity to be applied across Group A and Group B separately, regardless of whether the category fills on the first day. Any affiliated[488] family of project developers ~~which~~that exceeds 20% of the awarded capacity in a given year's Equity Eligible Contractor block will have any projects that cause them to exceed the 20% capacity cap moved to become the first projects on the waitlist for the applicable group. The Approved Vendor will have the opportunity to resize the project that causes them to exceed the 20% developer cap if there is enough remaining capacity within the 20% cap for a project to receive a REC Contract and not be waitlisted. The developer cap will reset at the commencement of each new Program Year, such that an Approved Vendor and its affiliates are only permitted to 20% of a block's capacity for a given Program Year. If an Approved Vendor (and its affiliates) have previously waitlisted projects that exceed the 20% cap, only those waitlisted projects that keep the Approved Vendor (and its affiliates) within that cap will be permitted to move forward.

7.4.6.6 Lifetime Cap on Equity Eligible Contractor Category Capacity

The Agency received comments in response to the draft 2024 Long-Term Plan that proposed the concept of a lifetime cap on capacity that a single developer (or family of affiliated developers) could claim from the Equity Eligible Contractor category.

The EEC category was established for a distinct purpose – to provide access to the clean energy economy for businesses and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes as required by Section 1-75(c-10)

[486] Order on Reopening, ICC Docket No. 22-0231 at 17 (May 4, 2023).

[487] Id.

[488] ~~"Affiliated" means, with respect to any entity, any other entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with each other or a third entity. "Control" means the possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Affiliates may not have shared sales or revenue-sharing arrangements, or common debt and equity financing arrangements.~~ See Section 9.4.2. of this Plan for information on how the Agency considers affiliation and control.

of the Act. To this end, the Agency agrees that the EEC category is a category in the Program that should be used to uplift and support these entities, and when successful, these entities should no longer require use of this capacity carve out, thus aging out of this category overtime. If implemented, this lifetime cap could make way to support more EECs that are established over time as a direct result of efforts being taken up across the State to support those that have been unable to break into the clean energy sector due to systemic and structural barriers through workforce training programs and other efforts.

~~While~~The Agency considered this lifetime cap proposal for inclusion in this 2026 Long-Term Plan. However, while the Agency generally supports the spirit of this concept, it ~~is~~remains premature to implement in the EEC category now, which has only seen ~~two~~four years of implementation thus far. The Agency plans to continue to increase the EEC category to 40% of capacity over time, as directed by the IPA Act, and is continuing to see market development. The Agency notes its agreement with this concept generally and may continue to consider it for possible inclusion in a future Long-Term Plan. ~~The Commission agreed with this approach in its Final Order approving this Plan, noting that a lifetime cap could be considered at a later date once~~ [489]

7.5 REC Pricing Model

7.5.1 Background

To develop REC Prices for the Adjustable Block Program and the Illinois Solar for All program for inclusion in the Initial Long-Term Plan, the IPA adopted and modified the National Renewable Energy Laboratory's Cost of Renewable Energy Spreadsheet Tool ("CREST") to develop a model for calculating REC prices. CREST is an economic cash flow model that estimates the cost of energy in terms of cents per kilowatt hour associated with specific input assumptions regarding technology type, location, system capital and operating costs, expected production, project useful life, and various project financing variables.[490] ~~The~~Upon Program inception, the Agency's REC Pricing Model established initial pricing for each block, with prices then declining 4% for each subsequent block. This declining block structure has been phased out of the Program after the passage of P.A. 102-0662.

In its Order approving the First Revised Plan, the Commission stated that "REC prices must be lower," although it did not adopt any specific proposal for how to lower such prices (and no methodology for lowering prices was introduced into the record).[491] Instead, the Commission required that "workshops should be held and stakeholder input considered" regarding how REC prices could be lowered, with a need to be mindful that, going forward, "the IPA must recognize market signals rather than solely relying on its cost modeling approach" in determining REC prices. As directed by the Commission, the Agency considers market signals, such as historic Program participation rate (i.e. over or undersubscription of a Program category), as discussed further within Section 7.5.3.

Two key changes to the Program were made through the enactment of P.A. 102-0662 that impacted the Agency's REC price modeling. First, new project categories and contract structures were introduced: projects submitted to the Public Schools category, Traditional Community Solar

[489] In its Final Order approving the 2024 Plan, the Commission agreed that a lifetime cap could be considered at a later date once additional data regarding program participation is available. See Final Order at 61, ICC Docket No. 23-0714 (Feb. 20, 2024).

[490] For more information on CREST, see: ~~https://www.nrel.gov/analysis/crest.html~~ https://www.nrel.gov/analysis/crest.html

[491] Final Order at 46, ICC Docket No. 19-0995 (Feb. 18, 2020).

category, and community solar projects submitted into the EEC Category now feature 20-year contracts rather than 15-year contracts. Second, the Program has transitioned to annual blocks from the prior declining block structure.

For the 2022 Long-Term Plan, the Agency also made a significant change to Appendix E (which contains the spreadsheets used to calculate REC prices). The Agency consolidated the REC Pricing Model into a single spreadsheet which automatically recalculatesrecalculated REC prices through drop-down menu selections. This spreadsheet also groupsgrouped assumptions used in modeling into consolidated tables, thus allowingenabling stakeholders to compare differences between categories in a single view. While the spreadsheet design change does not impact the resulting REC prices, it is intended to allow for easier review of modeling assumptions by stakeholders, and also to allow stakeholders to use the modeling tool to test how changes in assumptions would impact REC prices. This spreadsheet design has once again beenwas the underlying framework used forin the 20242026 Long-Term Plan's REC Pricing Model.; however, as discussed below in Section 0, the REC Pricing Model has undergone a substantial review and update which has resulted in a refresh of the entire model's design.

7.5.2 Independent Review of REC Prices

Through filings in Docket No. 22-0231, the Agency proposed to engage an independent expert consultant to complete a thorough review of REC prices prior to the next update of the Agency's Long-Term Plan. An independent expert consultant would provide the IPA with recommendations on how to develop administratively-set REC prices that both efficiently invest ratepayer funds in renewables and respond annually to changing market conditions, and the IPA would provide transparency around the results of the review and utilize the independent analysis to craft REC prices for the next Plan. The Commission agreed with this approach and noted that it looked forward to reviewing the recommendations of the Agency's independent expert consultant in its Order approving this Plan.[492]

The Agency engaged Sustainable Energy Advantage ("SEA") to conduct the independent review of REC pricing and develop a report containing recommendations on administratively-set REC prices under both the Illinois Shines and Solar for All programs. SEA has been involved in the development, analysis and implementation of clean energy policies and markets, particularly throughout the Northeast United States, and has advised a wide range of state government agencies and clean energy market participants across all technologies. A summary of SEA's recommendations iswas contained hereinin Section 7.5.1 of the 2024 Long-Term Plan, and the full report is included ascan be reviewed in Appendix C to thisthe 2024 Long-Term Plan.[493]

In conducting its independent review, SEA developed presentations on key topics and held workshop for stakeholders on March 7, 2023.[494] SEA also solicited written feedback from stakeholders on the concepts presented at the workshop.[495] SEA then drafted and presented its report, titled,

[492] Final Order at 94, ICC Docket No. 22-0231 (Jul. 14, 2022).

[493] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/procurement-plans/2024/appendix-c-sea-rec-pricing-review.pdf.

[494] For presentations from the workshop, please see: Illinois ABP and ILSFA REC Pricing Policy Design Issues, Options, and Implications and Key Inflation Reduction Act (IRA) Changes Relevant to ABP and (IL)SFA-Eligible Projects. For a recording of the workshop please see: Independent Review of Illinois ABP and Illinois Solar for All REC Pricing.

[495] Feedback submitted by stakeholders is available at: Renewable Resources Workshops, please look under the subcategory, Illinois Shines (Adjustable Block Program) and Illinois Solar For All REC Prices Updates, Independent Review of REC Prices for Future Program Years.

~~"Independent Review of Illinois Shines and Illinois Solar for All Renewable Energy Credit Pricing Approach," which the IPA released on June 7, 2023.~~

The report ~~contains~~contained a review of REC pricing design options based on models and approaches used in other jurisdictions, including market-based programs, value-based programs, cost-based programs, and hybrid approaches; the history of REC pricing in the Illinois Shines and Illinois Solar for All programs; and a discussion of market-based price adjustments and the impacts of the Inflation Reduction Act. SEA's independent review ~~provides~~provided the Agency both with a set of recommendations for consideration by the Agency in developing updated REC prices as well as suggestions for consideration through future legislation~~, as those recommendations are not currently authorized under statute.~~. SEA also considered the impact of the Inflation Reduction Act on REC pricing and provided recommendations for the IPA to implement. The Agency sought stakeholder feedback on these recommendations. The Agency subsequently updated its REC Pricing model, and the REC Pricing model utilized for REC prices in 2024-25 and 2025-26 was approved by the ICC.

~~SEA's recommendations are summarized in Table 7-8.~~

~~Table 7-8: Summary of REC Pricing Policy Design Recommendations~~

	Recommendation	Objective	Implementation
1	Continue to use the Cost-Based Approach to Annual Incentive-Setting	Incentives differentiated by project type; transparency; stability	Detailed cost research and stakeholder input
2	Continue to use a Discounted Cash Flow model to calculate the revenue requirement for each ABP and ILSFA project category	Accurate accounting for tax incentives; transparency;	Incentives set annually via CREST modeling
3	Collect and Disclose Project-Level Data, Aligned to CREST Input Fields	Balance risk-adjusted returns and ratepayer impact	Annual collection and disclosure process
4	Perform and Deploy a Billing Determinant-Level Net Metering Credit Forecast	Estimate net metering credits based on market drivers	Identify and forecast specific billing determinants from tariff
5	Establish and Implement Criteria for a Deployment-Based Adjustment to Annual Cost-Based Pricing Estimates	Account for non-price factors; market-responsive	Adjust REC price relative to deployment thresholds
6	Refrain from Intra-Year Adjustments to REC Price Incentives	Discourage price manipulation	Annual adjustments

~~**Recommendations One and Two** support having the Agency continue to use a cost-based approach for REC pricing. Given the high degree of differentiation of costs by project type for both Illinois Shines and ILSFA, a cost-based approach aligns best the Agency's goals for incentive setting purposes. SEA concluded that a "cost-based approach also supports Illinois' desire to create a long-term, stable solar industry within the State by providing price signals on an annual basis and transparency into – plus the opportunity to participate in – the price-setting process."[496] In affirming the cost-based approach, SEA recommends a continuation of the Agency's current approach to calculating the revenue requirement for each program's project category. A Discounted cash flow (DCF) model (such as the CREST model used in the REC Pricing Model) is an industry standard approach for project~~

~~[496] Appx. C at 23.~~

finance analyses. While SEA concluded that the model the Agency uses should be continued, SEA recommended that the Agency reexamine its recovery factor analyses as they "are not sufficiently precise, particularly with respect to their treatment of tax benefits, which regularly comprise 50% (or more) of renewable energy project value on an NPV [net present value] basis." As guidance from the Treasury Department on the implementation of the Inflation Reduction Act ("IRA") continues to be released, alterations to the model will need to be considered in the future.

Recommendation Three is to collect and disclose aggregated project-level cost data. Project-level cost data is critical to a successful and effective implementation of the REC Pricing Model over time and would replace the current approach of utilizing national data from publicly-available reports published by the National Renewable Energy Laboratory. Without Illinois-specific data available, the Agency and other policymakers lack visibility into how average project costs and cost components are changing over time, leading to the use of incomplete information to make decisions about adjustments for setting REC prices for in the Agency's programs.

The Illinois Shines and Solar for All programs currently do not collect cost data that would be granular enough to use in the REC Pricing Model[497]. For setting REC Prices for the 2024-25 Program Year, the Agency continues to rely on NREL data, but will convene a workshop after the approval of this 2024 Long-Term Plan to develop a standard format for the submittal of this data at the Part II application stage for Illinois Shines and Illinois Solar for All. The goal would be to begin data collection in the fall of 2024 for use in setting prices for the 2025-26 Program Year. The Agency expects that for the 2025-26 Program Year it would use a combination of NREL data and actual reported cost data in order to ensure a sufficient sample size, and in future years transition completely to the use of reported program data cost data. The SEA Report provides information on approaches that have been utilized in other States that conduct more robust cost data collection and could be adapted for use in Illinois.

Recommendation Four is to perform and deploy a billing determinant-level net metering credit forecast. After reviewing stakeholder feedback, the Agency believes the net metering components now included in the REC Pricing Model are the correct billing determinants.

Recommendation Five proposes establishing and implementing criteria for a deployment-based adjustment to annual cost-based REC prices. SEA recommends that "policymakers consider the potential benefits of allowing a post-processing adjustment (i.e., an adjustment to the REC price after the initial, annual calculation has been made) based on the level of program participation in the prior year." SEA suggests that for a market-based adjustment to occur, participation would need to deviate above or below a pre-determined threshold relative to the annual category-specific target. Table 7-9 outlines SEA's recommendation for how to implement a market-based adjustment.

[497] Examples of cost data fields that are used as inputs into the CREST model include: Generation Equipment, Balance of Plant, Interconnection, Development Costs & Fees, Reserves & Financing Costs. Costs are generally expressed on a per kW DC basis.

~~Table 7-9: Recommended Year-to-Year REC Price Adjustments and Associated Market Conditions~~

Market Condition	Recommended Price Adjustment
<25% of block capacity has been awarded at end of prior program year	Cost-based REC price for the following year is automatically increased by 10% of the block-specific revenue requirement
25% to <50% of block capacity has been awarded at end of prior program year	Cost-based REC price for the following year is automatically increased by 7.5% of the block-specific revenue requirement
50% to 75% of block capacity has been awarded at end of prior program year	Cost-based REC price for the following year is automatically increased by 5% of the block-specific revenue requirement
>75% to 100% of block capacity has been awarded at end of prior program year	No REC price adjustment
If "Waitlisted Capacity" is 50% to 100% on top of the Program Year Block Size	Cost-based REC price for the following year is automatically decreased by 5% of the block-specific revenue requirement
If "Waitlisted Capacity" is >100% on top of Program Year Block Size	Cost-based REC price for the following year is automatically decreased by 10% of the block-specific revenue requirement

~~Stakeholder feedback received in June 2023 after the release of the SEA Report revealed strongly differing views on whether a market-based adjustment should be implemented. The Agency also notes a timing challenge in that REC prices are determined several months prior to the beginning of a Program Year (and thus the end of the prior Program Year) and thus the market conditions would not be known at the time REC prices are set. Nonetheless, the Agency believes that a market-based price adjustment approach must be considered, consistent with prior Commission orders.~~

~~**Recommendation Six** is that the Agency refrain from intra-year adjustments to REC price incentives. The Agency agrees, although as discussed in Section 7.5.6, if there are extraordinary events that require an intra-year adjustment, there are mechanisms available to the Agency to make such adjustments, which would include opportunities for stakeholder input.~~

~~SEA also considered the impact of the Inflation Reduction Act on REC pricing and provided the recommendations listed in Table 7-10. A challenge in considering the impact of the Inflation Reduction Act on REC prices is the ongoing rollout of federal guidance on how the Act will be implemented, and similarly, how the market will react to those new opportunities. The Agency will continue to closely monitor these developments.~~

~~Table 7-10: Recommendations to Align Illinois Shines/ILSFA with Inflation Reduction Act of 2022~~

	Recommendation	Objective	Implementation
A	Include interconnection costs in ITC basis (for non-residential projects) where allowed by IRA	Update REC price calculation to account for new Federal incentives	Ensure CREST is programmed to include interconnection costs in the calculation of ITC/CEIC value, where applicable
B	For ABP, model REC prices not only with 30% ITC, but also assuming one bonus credit (i.e., total 40% ITC)	Update REC price calculation to account for new Federal incentives	Calculate REC incentive based on LCOE with revised ITCs
C	For ILSFA, model REC prices not only with 30% ITC, but also assuming the "low-income economic benefits" bonus credit (i.e., total 50% ITC)	Update REC price calculation to account for new Federal incentives	Calculate REC incentive based on LCOE with revised ITCs
D	Align ABP and ILSFA programmatic requirements and definitions with IRA bonus credit requirements	Simplify administration of ABP and ILSFA projects and maximize their share of federal funding (thus enhancing the cost-effectiveness of both programs)	(As one example…) Update definitions of low-income customers to "low-income communities," or potentially adopt other definitions related to "energy communities"
E	Create project sub-classes/sub-categories (and differential REC prices) for projects eligible to receive bonus credits in existing ILSFA and ABP project categories	Ensure that projects receiving bonus credits are not double-compensated (e.g., receiving a REC price developed with an assumption the project will receive no bonus credit, while simultaneously claiming a bonus credit)	(1) Require project owners to formally attest to bonus credits taken or not taken. (2) The IPA's planning consultant could identify and model the most common categories expected to claim bonus credits and model differentiated REC prices that account for all associated incremental capital and operating costs.

~~For Recommendation A, the Agency has not yet made adjustments to the REC Pricing Model as it is still gathering information on interconnection (especially for community solar projects). However, this recommendation may be included in future updates to the model, especially as additional federal guidance becomes available.~~

~~For Recommendation B, the Agency requested stakeholder feedback in June 2023 on including the 10% domestic content adder, which is the adder that would increase the ITC from 30% to 40%. That~~

~~feedback was strongly against including the adder as the preliminary guidance on this adder is that achieving the adder may be difficult.[498] Consequently, the Agency is not including the 10% adder in the REC Pricing Model. If subsequent guidance makes this adder easier to obtain, the Agency may propose revising the REC Pricing Model to include that 10%, raising the ITC used in the model to 40%.~~

~~For Recommendation C, stakeholders were concerned about the applicability of low-income related bonus credits across the range of projects that might apply to Illinois Solar for All, as well as the caps on annual capacity for the adder. Consequently, the Agency has not included the low-income economic benefits adder in the REC Pricing Model for Illinois Solar for All REC prices. However, the Agency has updated the REC Pricing Model used to establish ILSFA REC prices for non-profit and public facilities to recognize that such facilities can now achieve a 30% ITC under the direct pay option.~~

~~For Recommendation D, the Agency agrees that it would generally be sensible to align programmatic requirements with definitions used in the Inflation Reduction Act. However, in many cases, this would require statutory changes to the Illinois Power Agency Act.[499]~~

~~For Recommendation E, as the Agency is not implementing additional ITC adders in the REC Pricing Model, it is not necessary at this time to create subcategories with separate REC prices based upon those adjustments. As additional guidance on ITC adders is released, and as the Agency gathers information on how the market is utilizing those adjustments, the Agency may consider these changes in a future Long-Term Plan.~~

~~SEA also included an Appendix to the report discussing what level constitutes a reasonable risk-adjusted rate of return for investing in a solar project. Citing examples from Rhode Island, the Appendix cites a range of rates of returns for different forms of investors (e.g., tax equity investor or sponsor investor) from a low of 9.5% to a high of 15%. Given the prepayment of RECs in most categories of Illinois Shines and all categories of Illinois Solar for All, SEA notes that risk may be on the lower side, warranting a rate of return on the lower end of this range. The REC Pricing model currently uses 12% for distributed generation projects and 14% for community solar projects and the IPA seeks public comment on the propriety of those levels.~~

7.5.3 Modeling Updates

~~As discussed above, SEA did not recommend any fundamental changes to the REC Pricing Model. Instead, SEA recommended maintaining the current model and considering utilizing an annual deployment-based adjustment as a way to be responsive to market demand. SEA also provided recommendations on considering the impact of the changes to the ITC resulting from the enactment of the Inflation Reduction Act. Stakeholder comments gathered during the development of the draft 2024 Long-Term Plan argued against including these additional adjustments to the REC Pricing Model.[500] The feedback received by the Agency included concerns about the ability to utilize the domestic content adder, and the lack of clarity on how geographic adders will be determined by the IRS.~~

~~[498] See e.g., https://www.pv-tech.org/its-going-to-be-a-big-ask-iras-domestic-content-adders-leave-the-pv-industry-with-questions/~~

~~[499] For example, both the definition of Environmental Justice Communities and the low-income threshold used in ILSFA differ from the IRA.~~

~~[500] See comments posted at: https://ipa.illinois.gov/energy-procurement/plans-under-development/stakeholder-feedback-for-long-term-plan-development.html~~

The Agency shares those concerns. Thus, for this 2024 Long-Term Plan, the IPA has not made additional adjustments to the REC Pricing Model related to the ITC.[501] If additional federal guidance is released related to the domestic content adder, the Agency may reconsider inclusion of an upward adjustment to the ITC level used in the REC Pricing Model for the filed Plan.

The REC prices for the 2024-25 delivery year are based on a REC Pricing Model built off the ICC-Approved REC Pricing model contained in the 2022 Long-Term Plan and certain inputs that were updated for the 2023-24 Delivery Year.[502] The following updates were also made for the 2024 Long-Term Plan and are discussed in more detail in Appendix D:

- Updated cost data from the most recent NREL benchmarking report
- Updated net metering rates
- Updated AC/DC ratios and capacity factors based on energized Illinois Shines projects[503]
- Updated interconnection costs for community solar projects based on a survey of completed community solar projects conducted in July 2023
- Updated interest rates used for construction loans
- Technical corrections to various formulas, calculations, and inputs
- An adjustment to Group B labor costs in accordance with the Commission's Final Order[504]

Examples of inputs that were not updated include financing structure, internal rates of return, and operations and maintenance costs. These inputs are all listed in detail in Appendices D and E.

An error in updating values used to calculate the REC prices for the Public School category included in the draft 2024 Long-Term resulted in those prices being higher than the modeling should have produced. Comments on the draft 2024 Long-Term Plan expressed concern about the level of REC prices for Public School projects, and corrected modeling for this 2024 Long-Term Plan filed for ICC approval would have significant REC price decreases for the Public School category. The Public School category has had very low participation to date and the Agency remains concerned that the modeling of assumptions for REC prices for the category may not be accurately capturing considerations specific to public schools. The Agency will continue to explore those considerations and for the purpose of this 2024 Long-Term Plan is including a $5/REC upward adjustment to the modeled REC prices to bring them closer in line with the 2023-2024 REC prices. The Agency notes that as discussed in Section 7.12.2, the Agency is proposing to remove the 5% of REC contract value collateral requirement for Public Schools in the Tier 1 and 2 categories, or located in environmental justice communities. This will provide an additional benefit to those schools that in combination with this adjustment to REC prices the Agency helps will allow such project to be developed. Certain public school projects will also be eligible for the roof-mounted REC adder described below.

The Agency also updated REC Prices in response to public comments made on the draft 2024 Long-Term Plan. Several commentors recommended that the Agency include a REC price adder for roof-mounted community solar to recognize the additional costs needed to facilitate the development of community solar in areas where open land is not available for ground-mounted systems. After careful

[501] The REC Pricing Model continues increasing the ITC to 30%, as was done for REC prices for the 2023-24 Program Year.

[502] See Section 7.5 of the 2022 Long-Term Plan and the announcement of the 2023-24 REC prices: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/rec-prices-rationale-41923.pdf

[503] Appendix D contains further details on changes to the REC Pricing Model.

[504] Final Order at 74, ICC Docket No. 23-0714 (Feb. 20, 2024).

consideration of those comments and the policy objectives of community solar, the Agency partially agrees with the comments and will include a $5/REC adder for Traditional Community Solar projects and Public Schools community solar projects that are roof-mounted rather than ground-mounted.[505]

In the Traditional Community Solar category, the vast majority of approved projects have been greenfield, ground-mounted projects. The Agency is interested in continuing to increase the diversity of locations for community solar projects, and this is reflected in the scoring system for Traditional Community Solar project selection, which includes awarding of points for roof-mounted systems. Offering a REC price adder will lower the barriers to participation for roof-mounted Traditional Community Solar projects which will further those goals and allow for more systems to be located closer to their subscribers. The Agency believes a similar policy goal is achieved by allowing this adder to be available to a Public School community solar project in cases where a suitable ground-mounted location is not available yet the school wishes to develop a community solar project.

The Agency will not include a rooftop adder for Community-Driven Community Solar Projects. As of the date this 2024 Plan was filed with the Commission, 29 of the 44 approved Community-Driven Community Solar projects are roof-mounted, which indicates that developers of those community solar projects have been appropriately incentivized to develop roof-mounted projects.

The Agency did not agree with the levels of an adder suggested in certain comments on the draft 2024 Long-Term Plan (which were as much as 4.1 cent/kWh, equivalent to $41/REC). While the Agency appreciates that there may be additional costs associated with roof-mounted community solar, and lower production from such systems as they are less likely to be tracking systems, such a large increase in REC prices is untenable and could negatively impact RPS funding available for other projects. During litigation surrounding this Plan, intervenors suggested again that a higher price was appropriate. The Commission found no reason to increase the rooftop community solar approved the IPA's proposal of a $5 per REC adder for rooftop projects.[506]

The decrease in REC prices shown in Table 7-11 reflect results from the REC Pricing Model used for this 2024 Long-Term Plan and are the result of several factors. The model is very complex, and changes to one set of factors in the model have interactive effects with other factors that can be multiplicate, rather than just being additive. In other words, they compound each other so several small individual changes in inputs can have large total results. The Agency offers the following observations to help explain these changes.

First, cost data is from the 2022 NREL cost benchmarking study and costs have declined 2-8% compared to the inputs used for Program Year 2023-24 REC Price Model.[507] This results in lower cost inputs that go into the REC Pricing model. Details of the specific line items costs used in the model are included in Tables D-2 through D-4 of Appendix D.

Second, the model uses capacity factors are 1-5% higher than used for the 2023-24 REC Prices. The capacity factors are based on updated actual capacity factors from energized Illinois Shines projects based on PVWatts modeling. Higher capacity factors result in lower REC prices because a higher

[505] By extension, this adder would also apply to qualifying EEC category projects to which TCS or Public Schools REC prices would apply.

[506] Final Order at 75, ICC Docket No. 23-0714 (Feb. 20,2024).

[507] The Commission explicitly confirmed it is appropriate to use the 2022 benchmarking reports in its approval of this 2024 Plan. Final Order at 74, ICC Docket No. 23-0714 (Feb. 20, 2024).

~~capacity factor means that for a given modeled system, it would generate more RECs over the term of the contract and thus costs for a given system size are spread out over more RECs.~~

~~Third, net metering rates were updated and were 1-4% higher than those used for 2023-24 REC Prices. Net metering rates reflect the revenue a project would have other than the revenue from the sale of RECs. The REC Pricing model nets out the net present value of levelized price of energy and the net present value of future net metering revenue to determine the revenue gap that is filled by revenue from RECs. Thus, a higher net metering rate reduces the revenue needed from the sale of RECs.~~

~~The Agency has endeavored to accurately model REC prices based upon the information available and the recommendations of SEA. The IPA appreciates the input and feedback of market participants – both received prior to the publication of the draft 2024 Long-Term Plan and in public comments received on the draft 2024 Long-Term Plan. The Agency refined and revised aspects of the REC Pricing Model after receiving comments on the draft 2024 Long-Term Plan, and the REC prices contained herein for the 2024-25 Program Year reflect the final version of the REC Pricing Model.~~

~~Table 7-11 shows the proposed REC prices for the 2024-25 Program Year, including how these proposed prices vary from the prices in effect for the 2023-24 Program Year.~~

~~Table 7-11: Proposed Illinois Shines REC Prices ($/REC) for 2024-25 Program Year~~

Block Category	Project Size	Group A[A]	Group B[B]	Group A REC Price Change from 2023-2024 Delivery Year (%)	Group B REC Price Change from 2023-2024 Delivery Year (%)
Small DG	≤10 kW	$73.71	$83.87	-$1.50 (-1.99%)	$0.12 (0.14%)
	>10 - 25 kW	$63.53	$77.53	-$1.18 (-1.82%)	$1.26 (1.65%)
Large DG	>25 - 100 kW	$55.89	$70.23	-$3.39 (-5.72%)	$0.76 (1.09%)
	>100 - 200 kW	$53.63	$63.34	-$6.81 (-11.27%)	-$2.62 (-3.97%)
	>200 - 500 kW	$46.58	$54.60	-$6.81 (-12.76%)	-$3.76 (-6.44%)
	>500 - 2000 kW	$43.77	$49.49	-$6.24 (-12.48%)	-$2.57 (-4.94%)
	>2000- 5000 kW	$33.03	$37.05	-$7.13 (-17.75%)	-$2.51 (-6.34%)
Tradtional Community Solar	0 - 25 kW	$57.49	$70.91	$2.41 (4.38%)	$7.43 (11.70%)
	>25 - 100 kW	$58.84	$72.15	-$0.10 (-0.17%)	$0.23 (0.32%)
	>100 - 200 kW	$57.50	$69.58	-$3.29 (-5.41%)	-$3.64 (-4.97%)
	>200 - 500 kW	$53.46	$64.20	-$3.50 (-6.14%)	-$1.00 (-1.53%)
	>500 - 2000 kW	$46.02	$54.24	-$3.92 (-7.85%)	-$1.84 (-3.28%)
	>2000- 5000 kW	$33.99	$39.98	-$5.28 (-13.45%)	-$2.41 (-5.69%)
Community-Driven Community Solar	≤25 kW	$73.82	$91.47	$2.72 (3.83%)	$9.10 (11.05%)
	>25 - 100 kW	$75.40	$92.92	-$0.76 (-1.00%)	-$0.69 (-0.74%)
	>100 - 200 kW	$73.28	$89.36	-$5.05 (-6.45%)	-$5.76 (-6.06%)
	>200 - 500 kW	$67.73	$82.24	-$5.29 (-7.24%)	-$1.86 (-2.21%)
	>500 - 2000 kW	$57.93	$68.95	-$5.79 (-9.09%)	-$2.85 (-3.97%)
	>2000- 5000 kW	$41.94	$49.79	-$7.39 (-14.98%)	-$3.52 (-6.60%)
Public Schools	≤25 kW	$77.17	$93.17	$2.22 (2.96%)	$12.01 (14.80%)
	>25 - 100 kW	$68.57	$84.96	$3.00 (4.58%)	$14.54 (20.65%)
	>100 - 200 kW	$65.81	$76.91	-$0.59 (-0.89%)	$10.32 (15.50%)
	>200 - 500 kW	$57.72	$66.88	-$1.22 (-2.07%)	$7.07 (11.82%)
	>500 - 2000 kW	$54.51	$61.04	-$2.22 (-3.91%)	$7.45 (13.90%)
	>2000- 5000 kW	$42.15	$46.74	-$3.57 (-7.81%)	$9.51 (25.54%)

[A]*Group A encompasses Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives, and Municipal Utilities located in MISO*
[B]*Group B encompasses ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM*

~~Prices for the 2025-26 Program Year would be updated in early 2025 as described below.~~

Through the development of this 2026 Long-Term Plan, the Agency completed a comprehensive review and update of the REC Pricing Model. The updates to the REC Pricing Model were initially informed by the research and analysis completed ahead of the 2025-26 Program Year and then further built upon through additional market analysis and Program category results. The Agency strives to ensure the Model and its inputs remain up to date, such that REC prices align with actual market conditions and allow the Agency to understand the costs to build and develop an efficient system.

The 2025-26 REC Pricing Model updates were based upon detailed market research conducted by the Agency's Procurement and Planning Consultant, Energy and Environmental Economics ("E3"), the results of an Agency issued survey of AVs and Designees, a request for stakeholder feedback on draft REC Prices issued for the 2025-26 Program Year, and finally, a review of participation levels for each of Agency administered Program categories. Updates to the REC Pricing Model used for the 2025-26 Program Year included:[508]

- Updated capital costs based on National Renewable Energy Laboratory data for residential, Large DG, and community solar systems.
- Updated customer acquisition costs based on E3 market intelligence.
- Adjustments to capital costs for residential solar systems based on inflation.
- Adjustment to labor costs assuming prevailing wage for all systems.
- Debt ratios were increased from 45% to 55% debt for most solar types based on E3 market intelligence, and the debt ratio was increased from 35% to 43% for low-income community solar.
- The Internal Rate of Return was evaluated and updated where appropriate to better align with current market expectations for each asset class based on publicly available market indices for risk-free rate, sector return (levered and unlevered), and Debt to Equity ratios.
- Construction periods were updated from 12 months to 18 months for 2000-kW and 5000 kW systems based on E3 market intelligence.
- Project management costs were updated from $5/kW-yr to $7/kW-yr for all systems.
- Interest rate on construction financing is decreased from 8% to 6% to align with the interest rate on term debt.
- A $0.25/Watt DC smart inverter rebate was applied to the 10-kW system.
- Capacity factors and DC/AC ratios for all project sizes were refreshed to be based on the most recent data from energized Illinois Shines projects.

The Agency made additional updates to the Appendix E: Renewable Energy Credit Pricing Model Spreadsheet to inform the proposed 2026-27 Program Year REC prices contained in this 2026 Long-Term Plan. Market research and prospective model updates considered a broad array of conditions, including traditionally updated inputs such as forward energy prices, updated capacity prices, and capacity factors; while also changing more dynamic inputs such as the availability and use of investment tax credits, the access and use of bonus depreciation by developers, customer acquisition costs, and interest rates. To review all model updates, refer to Appendices D and E.

[508] Full details regarding the 2025-26 REC Price Model Updates can be found within the March 7, 2025 Proposed Renewable Energy Credit Prices for the 2025-26 Program Year announcement. https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250307-proposed2025-2026-rec-prices-request-for-feedback-7-march-2025-final.pdf.

Recent changes in federal law substantially alter the expected future availability of the federal Investment Tax Credit ("ITC") for solar projects. The change in ITC availability is expected to impact projects that will be developed through the Illinois Shines program. With this understanding, the Agency was provided with at least two options when creating the modeled REC prices: (1) to include the assumption that the 30% ITC *will likely be available* for most projects seeking to participate in the Illinois Shines program during the 2026-27 Program Year, thus increasing the prospective revenue and financial incentives for projects and lowering the resulting REC price; or, (2) to include the assumption that the ITC *will not be available* for most projects and raise the REC price to bolster the financial support for Illinois Shines projects.

The Agency recognizes that while the decision to include or not include the ITC as a project benefit is largely binary from a modeling perspective, the actual impact to developer is not – with each developer in a unique position in their ability to access the ITC and therefore creating a challenge in modeling REC prices. Specifically, some developers may believe that they can access the ITC given their interpretation of the new requirements (pending future federal guidance), the hardware they have already acquired, the types of projects they build (e.g., distributed generation projects vs. community solar), and the state of projects they are working toward developing and ultimately submitting to Illinois Shines in the 2026-27 Program Year. Some of these same developers may find their projects bifurcated, with a certain segment being likely eligible to access the ITC and others not. Contrarily, some developers may conclude they will have no ability to access the ITC and therefore their value proposition and the associated REC Price need is starkly different from other developers. There is no clear answer at this time, as each developer's situation is different and additional federal guidance on the ITC accessibility terms is pending future release.

It is with the changing state of access to the ITC as a backdrop that the Agency is obligated to consider the likely availability of the ITC for developers and the impact on the RPS Budget and, by extension, the importance of incentivizing cost-effective projects where possible. From preliminary discussions with some developers in the market, the Agency understands that some moderate and larger-scale solar projects (i.e., those over 25 kW) may have access to the ITC (based upon current federal guidance) for projects that would be awarded contracts in the 2026-27 Program Year. Therefore, the Agency has included the assumption that the ITC value is to be included in the REC Pricing Model for the 2026-27 Program Year. The Agency understands, as explained previously, that not all developers and/or all projects will be able to access to the ITC; however, the 2026-27 period is likely best defined as a transition year (some projects can access the ITC and others not), thus the Agency deferred to including the ITC. As also previously highlighted, a fundamental consideration when establishing REC prices is to support or otherwise incentivize the development cost-effective projects, thus maximizing the use of collected RPS funds and stretching the available RPS Budget.

Importantly, to ensure transparency for stakeholders, the Agency evaluated the impact of not including the ITC in REC Price development for Small DG projects. In its analysis, the Agency found that the exclusion of the ITC resulted in nearly a doubling of the REC Prices for Group A and B customers in both the 0-10 kW and >10-25 kW sub-categories. For example, modeling of the Small DG, Group A, 0-10 kW size REC Price derived a value of $69.22 when including the ITC, but a price of $133.68 when excluding the ITC – an increase of 93%. Similar results were found for the Group B 0-10 kW size projects, along with both Group A and B for the >10-25 kW size projects. Related, when modeling the absence of the ITC, both the debt-to-equity ratio and the after-tax equity internal rate

of return were increased in order to reflect developers' increased potential for debt leverage.[509] The inclusion of the ITC as a funding stream within the REC Pricing Model for the 2026-27 Program Year reflects a scenario where many (potentially most) Small DG projects may have access to the ITC and helps achieve the Agency's goals to incentivize projects that maximize the use of incentives and extend the available RPS budget as far as possible.

Again, while it may be true that some projects seeking to participate in the Illinois Shines program may not have access to the ITC, it is the Agency's understanding that many third-party owned projects very well might – at least through some portion of the 2026-27 Program Year. As a result, the Agency has chosen to model REC prices with the simplified assumption that participating projects will have access to the ITC and thus the resulting REC prices reflect that expectation.[510] The IPA is very interested in stakeholder feedback around this assumption and views this as a starting point in a broader discussion around how to establish REC prices in this new and less certain environment. These prices are provided in Table 7-9 below.

Beyond changes to the availability of the ITC, various federal tariffs have also been imposed on solar modules and Balance of System ("BOS") equipment imported from foreign countries, significantly affecting module and BOS costs. To capture the impact of tariffs, module and BOS equipment costs were increased by 70%. This update now reflects the estimated proportion of imported components subject to tariffs and a weighted average of tariff rates from various source countries.

In addition to the federal changes discussed above, the Agency has made a series of additional fundamental updates that impact various cost and revenue components for project modeling and resulting REC Prices. First, net metering credits for residential solar systems have been calculated based on an assumed 70% self-consumption value, with 30% being exported which incentivizes more efficient system sizing. Previously, the model incorporated an assumed 60% self-consumption, 40% export ratio. Second, bonus depreciation for solar projects has been restored to 100% (from a previous modeled value of 40%) as a result of federal budget legislation. Finally, capacity-related revenues for commercial and industrial customers have been updated based on the latest PJM and MISO capacity market auction results. Overall, these updates increased expected net metering revenues.

Given the rapidly changing state of incentives, tariffs, and other factors impacting solar development, the Agency recognizes that the proposed REC prices will have disparate impacts on different developers. It is critical that developer experiences are understood and incorporated into the development of the REC Pricing Model, as that analysis informs the creation of the REC prices themselves. The Agency is requesting stakeholders evaluate the proposed REC prices and provide detailed feedback. Historically, Agency requests for stakeholder feedback on REC pricing have resulted in substantial qualitative comment from an array of stakeholders, but provided limited quantitative inputs to which the Agency could use to compare to model inputs. It is with this

[509] This is not the case for ILSFA projects where the debt-to-equity ratio and the after-tax equity internal rate of return do not apply; the debt-to-equity ratio remains at 0%, leaving the after-tax equity internal rate of return unchanged.

[510] A third option of parsing prices across multiple pricing schedules (such as demonstration of ITC achievement or ownership structure in the case of residential projects) would appear to be administratively unwieldy or rife for gaming, although the Agency is interested in stakeholder feedback on whether such an approach could be effectively implemented. A fourth option of calibrating prices in between modeling outputs would appear to overcompensate those projects that could participate while being insufficiently generous for projects that would not otherwise participate, thus resulting in more of a finite budget being spent for the same results.

understanding that the Agency requests both quantitative and qualitive feedback to inform the development of the REC Pricing Model.

As discussed in Section ~~7.4.5.3~~7.4.5.3, the Agency is not establishing separate prices for projects in Equity Eligible Contractor category. Those projects will instead feature the opportunity for the advance of capital~~. Equity Eligible Contractor~~ prior to energization. EEC projects will receive the applicable REC price and contract structure for a distributed generation or traditional community solar project. If EECs wish to submit CDCS projects to the Program, those projects must be submitted to the CDCS category, as they feature a distinct application window and scoring process. Those CDCS projects will receive the REC price and contract associated with that Program category. Similarly, EECs may submit projects into the Public Schools category and those projects will receive the REC price and contract related to that Program category. In addition,~~ a~~ community solar projects submitted to the Public Schools category would receive the Traditional Community Solar REC price applicable to the project's size.

The Agency evaluated the REC Pricing Model results, which included the above-detailed updated market-based inputs, on a Program category basis. As discussed below, the Agency made targeted adjustments that were informed by historical and current Program participation levels. The Agency seeks to reflect the market realities of participation in the Program beyond solely utilizing the model outputs in order to incentivize efficient project development and ensure responsible utilization of the RPS budget. Pricing considerations on a category basis are detailed as follows:

Small Distributed Generation Pricing

The modeling results show a small increase in the REC prices for 2026-27. This category has historically seen over-subscriptions and resulting waitlists. Most recently, during the 2024-25 Program Year the category's capacity closed May 6, 2025. As discussed above, the Agency expects projects to utilize the ITC in the 2026-27 Program Year. Therefore, the Agency believes it is appropriate to utilize the modeled results for the proposed 2026-27 REC prices for this category.

Large Distributed Generation Pricing

The modeling results showed a substantial decrease in REC prices, ranging from -10% to nearly -35% for this category. These modeled results are primarily reflective of two key drivers: (1) updated retail rate escalation resulting from a substantial increase in capacity prices, and (2) the reinstatement of 100% bonus depreciation. When evaluating historic project participation, this category has seen moderate to substantial under-subscription. Given historically low market participation, the Agency finds lowering REC prices could undermine category progress and potentially further stifle project development, and as such, proposes to instead maintain REC prices at the 2025–26 published levels.

Traditional Community Solar Pricing

Based upon the prevailing market-based inputs, the modeling results for this category have resulted in a deviation between Group A and Group B prices. Modeled Group A prices slightly increased as compared to 2025-26 prices, while modeled Group B prices fell substantially. There are two elements at play causing the differences between Groups and causing the Group B price decline: (1) the Agency implemented a 10% price cap to the modeled REC prices for the 2025-26 Program year, and (2) capacity prices for PJM were updated, reflecting the significant increase in the value. As

discussed above, the effect of capacity prices increasing is a resulting decline in REC prices (driven by higher capacity-related revenues). This is seen in Group B and the resulting decline in prices.

When developing the 2025-26 REC prices, the Agency applied the 10% REC price change cap in any instance where a modeled price would have resulted in a year-over-year change of +/- 10%. This cap impacted multiple modeled REC prices. When completing the 2026-27 REC price modeling and comparing the resulting prices to 2025-26 REC prices, the Agency found that some changes were significant (in some instances a change in excess of 25%). Upon further analysis, one causal factor was the implementation of the 10% REC price cap for the 2025-26 REC prices – with modeled 2026-27 REC prices attempting to 'catch up' for the limit placed in the prior period. Retrospectively, if REC prices during the 2025-26 Program Year had not been affected by the 10% cap, the subsequent change in the modeled 2026-27 Program Year REC prices would have been more moderate.

An additional factor considered by the Agency is the application submission levels for this category. Overall, the Traditional Community Solar category has been over-subscribed, with a substantial waitlist each year.

Based upon the set of facts for this category – substantially high participation levels, imbalanced 2025-26 REC pricing as a result of the 10% cap, and the impact of the 2026-27 modeled REC prices, the Agency proposes to hold prices constant for Group A (i.e., maintain the 2025-26 REC Prices), thereby not increasing the REC prices as modeled which would likely result in higher payouts to participating projects in an already over-subscribed category. Further, the Agency proposes implementing the model results for Group B which would bring this category back in balance with market prices and appropriately reflects sub-category over-subscription.

Community Driven Community Solar Pricing

REC price modeling for this category resulted in moderate price increases for both Group A and B, primarily driven by higher cost factors. An important consideration in the Agency's determination of what REC prices to implement are subscription levels, which have roughly matched the target for this sub-category for both Group A and Group B. As such, the Agency determined that it is appropriate to utilize the modeled REC prices for 2026-27, which appropriately capture the costs for this sub-category and attempt to maintain the momentum into the 2026 Long-Term Plan.

Public Schools Pricing

Prior to modeling REC prices, the Agency first recognized that this category has been significantly under-subscribed; however, REC prices may not be the only driver causing the challenges in uptake. With this in mind, the Agency modeled prices for projects in the Public Schools category that derived a decrease as compared to 2025-26 REC prices. Decreases varied by project size, ranging from -11% to over -34%. Similar to preceding categories, the prevailing driver for the decrease in REC price was a combination of the impact of 100% bonus depreciation and the substantial increase in capacity prices. As highlighted previously, the Public Schools category has substantially lagged the targeted capacity available, resulting in persistent under-subscription. While market factors indicate that REC prices for public school categories should decrease, the Agency finds that this would only exacerbate an already challenged sub-category. As such, the Agency has proposed to maintain the REC prices currently in effect (i.e., those for the 2025–26 Program Year) through 2026-27 Program Year.

The Agency cautions Approved Vendors, Designees, potential customers, and other stakeholders that these prices should be viewed as preliminary. Prices may change between

the release of this draft 2026 Long-Term Plan and the finalization of prices after the ICC's approval of the 2026 Long-Term Plan in February 2026.

Table 7-9: Proposed Illinois Shines REC Prices ($/REC) for 2026-27 Program Year

Block Category	Project Size	Group A[A]	Group B[B]	Group A REC Price Change from 2025-2026 Delivery Year (%)	Group B REC Price Change from 2025-2026 Delivery Year (%)
Small DG	*0 - 10 kW*	$69.22	$77.49	$2.88 (4.3%)	$2.01 (2.7%)
	>10 - 25 kW	$60.51	$69.26	$3.33 (5.8%)	-$0.52 (-0.7%)
Large DG	*>25 - 100 kW*	$59.53	$69.65	$0.00 (0.0%)	$0.00 (0.0%)
	>100 - 200 kW	$55.63	$65.09	$0.00 (0.0%)	$0.00 (0.0%)
	>200 - 500 kW	$45.64	$53.40	$0.00 (0.0%)	$0.00 (0.0%)
	>500 - 2000 kW	$42.37	$49.57	$0.00 (0.0%)	$0.00 (0.0%)
	>2000- 5000 kW	$31.96	$37.39	$0.00 (0.0%)	$0.00 (0.0%)
Traditional Community Solar	*0 - 25 kW*	$57.49	$73.70	$0.00 (0.0%)	$2.79 (3.9%)
	>25 - 100 kW	$58.84	$68.72	$0.00 (0.0%)	-$3.43 (-4.8%)
	>100 - 200 kW	$57.50	$60.45	$0.00 (0.0%)	-$9.13 (-13.1%)
	>200 - 500 kW	$53.46	$54.10	$0.00 (0.0%)	-$10.10 (-15.7%)
	>500 - 2000 kW	$46.02	$43.99	$0.00 (0.0%)	-$10.25 (-18.9%)
	>2000- 5000 kW	$33.99	$30.22	$0.00 (0.0%)	-$9.76 (-24.4%)
Community-Driven Community Solar	*0 - 25 kW*	$80.66	$96.74	$6.84 (9.3%)	$5.27 (5.8%)
	>25 - 100 kW	$81.88	$97.27	$6.48 (8.6%)	$4.35 (4.7%)
	>100 - 200 kW	$78.09	$93.45	$4.81 (6.6%)	$4.09 (4.6%)
	>200 - 500 kW	$68.02	$85.02	$0.29 (0.4%)	$2.78 (3.4%)
	>500 - 2000 kW	$58.77	$71.34	$0.84 (1.5%)	$2.39 (3.5%)
	>2000- 5000 kW	$46.38	$52.95	$4.44 (10.6%)	$3.16 (6.3%)
Public Schools	*0 - 25 kW*	$77.17	$93.17	$0.00 (0.0%)	$0.00 (0.0%)
	>25 - 100 kW	$68.57	$84.96	$0.00 (0.0%)	$0.00 (0.0%)
	>100 - 200 kW	$65.81	$76.91	$0.00 (0.0%)	$0.00 (0.0%)
	>200 - 500 kW	$57.72	$66.88	$0.00 (0.0%)	$0.00 (0.0%)
	>500 - 2000 kW	$54.51	$61.04	$0.00 (0.0%)	$0.00 (0.0%)
	>2000- 5000 kW	$42.15	$46.74	$0.00 (0.0%)	$0.00 (0.0%)

Note. Some prices remained unchanged from the 2025-2026 Delivery Year.
[A]*Group A encompasses Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives, and Municipal Utilities located in MISO*
[B]*Group B encompasses ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM*

Prices for the 2027-28 Program Year would be updated in early 2027 as described below in Section 7.5.6.

7.5.4 System Expansions

If a system on a single parcel is subsequently expanded (referred to in the Program as a system expansion), the Agency reserves the right to revise the incentive amounts paid for the subsequent system(s), and to set the incentives based on the total expanded system size rather than just treat the expansion as a separate system. For the purpose of establishing a revised incentive level under these circumstances, the systems' size would be considered at the parcel level. In addition, if a project expansion is submitted more than two years after ICC approval of the original system, then expansion pricing will not apply. However, if the expansion project has already been built and interconnected at the time of project application, the date of interconnection must be more than two years after the ICC approval of the original system. If not, it will be subject to expansion pricing. In situations where further, additional expansions occur, the Agency will consider the "original system" to be most recent project application with ICC approval in order to determine whether the additional project will be subject to expansion pricing.

7.5.5 Community Solar

Community solar projects ~~face additional~~include fundamental differences as compared to distributed generation systems, such as developmental costs and ~~feature~~value propositions, potentially reduced eligibility for direct energy-related revenues ~~than distributed generation systems.~~, increased economies of scale, and access to different financing opportunities. On the revenue side, subscribers to such projects are eligible only for energy-only net metering~~,~~; while on the cost side, there is the ~~cost~~price of acquiring, maintaining, and managing subscribers. ~~The~~However, there are also economies of scale in community solar projects that increase the prospective efficiencies of a project, and an ability to adjust pricing for subscribers to account for market changes over time. The REC prices for community solar ~~RECs~~projects compared to distributed generation projects as shown above in ~~Table 7-5~~Table 7-9 reflect those differences.

Section 1-75(c)(1)(K)(iii)(2) of the IPA Act requires that community solar projects have subscriptions of 25 kW or less for at least 50% of the facility's nameplate capacity and directs the Agency to "price the renewable energy credits with that as a factor." Accordingly, the REC Pricing Model includes an adjustment to community solar prices reflecting the estimated cost of acquiring small subscribers on each project.

In the 2022 Long-Term Plan, the Agency proposed, and the Commission approved setting this adjustment at $14.82/REC. In approving this approach for the 2022 Long-Term Plan, the Commission noted that the REC price for community solar is clearly sufficient to support participation in the Program based upon the high levels of participation in the Traditional Community Solar category.[511] In the stakeholder feedback solicited during the development of the draft 2024-Long-Term Plan, no stakeholder proposed a change to the ~~adder~~adjustment due to the lack of good market data, although several commented on the increasing cost of subscriber acquisition and the fees associated with consolidated billing. For the development of this draft 2026 Long-Term Plan, the Agency's Procurement and Planning Consultant, E3 performed a separate market-based analysis to evaluate community solar adders utilized by other states which concluded that the $14.82/REC was in the middle of the range observed in other markets. At this time, the Agency ~~will~~does not propose to

[511] See Final Order at 97, ICC. Docket No. 22-0231 (July 14, 2022).

change the $14.82/REC adjustment for community solar projects embedded in the REC Pricing Model.

7.5.6 Updating ~~of~~ REC Prices

The shift of the Illinois Shines program to annual blocks has resulted in a structure where the transition between blocks now occurs on a known schedule, occurring every June 1. To update REC prices for a new program year, the Agency will conduct an annual refresh of the REC Pricing Model described above. This will include refreshing inputs from known sources and seeking stakeholder feedback on preliminary prices.

This approach was approved by the Commission under the 2022 Long-Term Plan. REC prices for the 2022-23 delivery year were approved by the Commission through the approval the 2022 Long-Term Plan. The Agency updated the REC Pricing Model for the 2023-24 Program Year and released final prices for the 2023-24 Program Year on April 17, 2023.

The Agency ~~will maintain~~maintained the same process for the 2024-25 and 2025-26 Program Years, with the REC prices for the 2024-25 Program Year approved through the 2024 Long-Term Plan and prices for 2025-26 Program Year released on April 18, 2025 after a stakeholder feedback process.

The Agency will maintain the same process for the 2026-27 and 2027-28 Program Years, with the REC prices for the 2026-27 Program Year approved through this 2026 Long Term Plan and prices for 2027-28 Program Year released after a stakeholder feedback process in early ~~2025~~2027. Both processes may include consideration of market-based price adjustments as raised in Section ~~7.5.2.~~7.5.2.

In light of evolving federal trade policy in Spring 2025, the Agency sought stakeholder feedback ahead of the Draft 2026 Long-Term Plan in order to better understand the extent of the potential impact to developers in Illinois.[512] Stakeholders shared that changes to federal trade policy impacted supply chains, cost volatility, access to capital, and the overall financial feasibility of projects. A number of stakeholders suggested that the Program should ensure the ability to adjust REC pricing as needed between Long-Term Plans. Furthermore, in light of changes to the federal ITC, stakeholders suggested raising REC prices and that the Agency accelerate its allocation of out-year Program capacity to earlier years in order to allow greater utilization of the federal ITC.

While the Agency does not intend to make intra-year changes to REC prices ~~(consistent with SEA's Recommendation 6),~~ if market conditions are such that changes are absolutely necessary, there is a mechanism to do so. Section 1-75(c)(1)(M) contains an allowance that "[p]rogram modifications to any block price that do not deviate from the Commission's approved value by more than 10% [and] shall take effect immediately and are not subject to Commission review and approval." There are several reasons why the Agency might consider a mid-year price adjustment, but the IPA would only do so if it determines that changing circumstances have created a genuine need for an adjustment. Examples of such circumstances ~~would~~ include changes to federal ~~legislation~~regulations or guidance that impact the eligibility requirements for the Investment Tax Credit, new tariffs on imported panels and modules, or significant changes to net metering credits or the smart inverter rebate ~~(smart inverter rebates will not change prior to December 2024 and the Agency will incorporate updated~~

[512] See stakeholder feedback requested here: https://ipa.illinois.gov/energy-procurement/plans-under-development/stakeholder-feedback-on-2026-long-term-plan-chapter-questions.html.

~~rebate levels when they become available into the REC Pricing Model for the 2025-2026 Program Year).~~ If the Agency becomes aware of a circumstance that would warrant consideration of a mid-year REC price adjustment, it will conduct modeling of REC price changes, provide notice to stakeholders, and conduct a stakeholder feedback process before finalizing any changes, as provided for in Section 1-57(c)(1)(M).

The Agency seeks to clarify its interpretation of Section 1-75(c)(1)(M) as a limit on *intra-year* changes, and not a limitation on changes in REC prices *across* years. The Agency anticipates that REC prices could change significantly between the 2026-27 and 2027-28 Program Years based on anticipated significant uncertainty and significant changes in federal tax credits.

7.6 Prevailing Wage

As outlined in Section 1-75(c)(1)(Q) of the IPA Act, ~~most~~ Illinois Shines projects must comply with Illinois Prevailing Wage Act requirements. Prevailing wage is a minimum compensation level by county, set by the Illinois Department of Labor for construction activities related to public works. Section 1-75(c)(1)(Q) of the IPA Act (20 ILCS 3855) requires that individuals engaged in the construction of applicable projects submitted to the Program are paid the prevailing wage. Additionally, Public Act 102-0673 clarifies that projects receiving incentives under the Program are "public works" subject to the Prevailing Wage Act—which includes notice requirements and related provisions as well.

For Illinois Shines administration, Illinois law allows only the following types of projects to be considered exempt from prevailing wage requirements:

- Large Distributed Generation projects (greater than 25 kW AC) that were on a waitlist as of the Program's reopening on December 14, 2021[513];
- Distributed generation projects (Large or Small) that either serve a single-family or multi-family residential building, or serve a house of worship and are not greater than 100 kW AC (aggregated with any co-located projects~~)~~);
- Distributed generation projects (Large or Small) for which construction can be demonstrated to have been completed before September 15, 2021, the effective date of Public Act 102-0662.

~~A project application sized between 10-25 kW for which an application was originally received in the Large Distributed Generation category (i.e., on or before November 1, 2021 when the Illinois Shines application Portal closed to applications in preparation for Program reopening on December 14, 2021) is considered a waitlisted Large Distributed Generation project for prevailing wage purposes, although that project will otherwise be reclassified as a Small Distributed Generation project for *processing* the project application and for the purposes of establishing the REC price and payment terms.~~

Illinois Shines projects that do not qualify for one of the above exemptions must comply with all provisions of the Prevailing Wage Act ("PWA"). The Illinois Department of Labor ("IDOL") oversees

[513] A project application sized between 10-25 kW for which an application was originally received in the Large Distributed Generation category (i.e., on or before November 1, 2021 when the Illinois Shines application Portal closed to applications in preparation for Program reopening on December 14, 2021) is considered a waitlisted Large Distributed Generation project for prevailing wage purposes, although that project will otherwise be reclassified as a Small Distributed Generation project for processing the project application and for the purposes of establishing the REC price and payment terms.

the implementation and enforcement of the Prevailing Wage Act and has multiple resources, such as FAQs, available on its website.[514] The ~~Prevailing Wage Act~~PWA requires that employees engaged in construction activities related to the project be paid the prevailing wage of that location, as determined by the IDOL annually and updated regularly on its website. The Approved Vendor, its contractors, and its subcontractors must provide written notice to all underlying contractors and subcontractors that the PWA applies to the project, including notice and record keeping requirements; penalties and fines for violations may be imposed on upstream contractors if they did not provide proper notice to subcontractors. Employees engaged in construction activities must be given written notice of the applicable prevailing wage rates through posting those rates on the work site, at a central office, or through direct written communication. Each contractor and subcontractor under contract for construction activities for the project must submit a Certified Transcript of Payroll ("CTP") using the IDOL Certified Transcript of Payroll Portal[515] on a monthly basis throughout construction activities. Templates for the CTP and additional details on what to include may be found on the IDOL website. Approved Vendors must also submit all CTPs from the relevant project to the Program Administrator via the Part II application.

Part I of the project application for non-exempted projects will require that an Approved Vendor certify its understanding that prevailing wage requirements apply to that project, and the Part I verification will include the Program Administrator's determination regarding applicability of prevailing wage requirements. In Part II of the project application, the Approved Vendor will be required to certify to and document compliance with prevailing wage requirements, if applicable.

If, during the Part II review, the Program Administrator finds that a participating project was not compliant with the provisions of the PWA, the Approved Vendor and its contractor or subcontractor must cure this defect through providing backpay to impacted workers, provide documentation of such backpay, file the required CTPs with IDOL, and provide a copy of those CTPs to the Agency. Review of CTPs by the Program Administrator does not confirm compliance with the provisions of the PWA. Compliance with the provisions of the PWA is confirmed by IDOL. The Agency is developing a process by which it can certify projects that feature an Approved Vendor, or an installer serving as a Designee of an Approved Vendor, that has gone out of business and CTPs are unavailable despite the Program Administrator and Agency's best efforts. Through this process, the Agency seeks for compliance to be confirmed through other means such that projects do not become "stranded," and unable to move forward in the Program, resulting in harm to customers, and the Agency seeks the Commission's approval for that approach.

All projects subject to prevailing wage requirements may be subject to auditing by the Program Administrator to verify compliance. This auditing includes a requirement to admit the Program Administrator or their representatives to work sites for ongoing projects, access to speak to employees who are working or have worked on projects, access to requested documentation demonstrating payment of wages including but not limited to Certified Transcripts of Payroll, and any other information the Program Administrator deems necessary to confirm compliance with this requirement. Failure to comply with prevailing wage requirements is considered a violation of Program requirements. While the Agency may refer potential violations of the PWA to the IDOL for further investigation and enforcement, the Agency may also take disciplinary action against any

[514] Illinois Department of Labor~~:~~. https://labor.illinois.gov/~~.~~

[515] See: https://labor.illinois.gov/laws-rules/conmed/certifiedtranscriptofpayroll.html.

Approved Vendor or Designee found to have violated the PWA on a facility for which there was ~~a REC Contract under~~an Illinois Shines REC Contract.

7.7 Approved Vendors

Participation in Illinois Shines takes place through, and is conditional upon, ~~the Approved Vendor process developed by the Agency and implemented by the Program Administrator. The Approved Vendor model was originally based upon the experiences the Agency gained through the development and implementation of the Supplemental Photovoltaic Procurement, as well as observations of programs in other states. While arguably there could be more flexibility available to consumers through a program under which any entity may receive a contract, by having "~~Approved Vendors~~—i.e., ensuring that any entity receiving a REC delivery contract is registered with and vetted by the Agency, and has met conditions predicate—the Agency is better able to monitor compliance with program terms and conditions, ensure the accuracy and quality of information submitted, and reduce the administrative burden on the contractual counterparties.~~

~~This model thus benefits consumers because they can verify that an entity that proposes to develop a photovoltaic system for them (or sell them a subscription to a community solar project) is a legitimate entity participating in the Program. It is important for the Agency to have the ability to monitor the Program and ensure high quality performance by the Approved Vendors; an Approved Vendor that fails to live up to the requirements of the Program could have a significant negative impact on the entire renewable energy market in Illinois that would extend beyond just its own actions. Additionally, as discussed in more detail in Chapter 8, registration as an Illinois Shines Approved Vendor is a prerequisite to becoming an Illinois Solar for All Approved Vendor, and the loss or suspension of Approved Vendor status under Illinois Shines would result in an Approved Vendor's status under the Illinois Solar for All program to also being terminated or suspended.~~

~~The Agency does not restrict Approved Vendor participation by entity type; as such, Approved Vendors could include a company that specializes in the aggregation and management of RECs; a for-profit developer or installer of photovoltaic systems; a municipality; or a non-profit serving a specific sector of the community, among others.~~

." Approved Vendors serve as the contractual counterparty with the utility, and thus are the entity that receives payments from the utility for REC deliveries as contract obligations are met.[516] An entity becomes an Approved Vendor by submitting an application, which the Program Administrator reviews, then approves. Approved Vendors must have their status renewed annually. Approved Vendors are ~~therefore~~ responsible for submitting necessary paperwork (project applications, status updates, quarterly and annual reports) to the Program Administrator ~~(~~, and serve as the responsible party for the information contained in that paperwork~~), maintaining~~. Additionally, Approved Vendors maintain collateral requirements ~~(and meeting~~, make any contractually required payments not covered by posted collateral~~),~~, and ~~providing~~provide ongoing information and reporting. As such, the Approved Vendors must coordinate downstream information from installers/developers as well as individual system owners (who may ~~well~~ provide required information through the installer/developer). ~~Failure to provide this necessary information in a timely manner may result in~~

[516] The Agency imposes no requirement as to how the Approved Vendor shall share the REC payments with the installer, host, and other project parties.

~~disciplinary action as customers may be negatively impacted by an Approved Vendor's lack of responsiveness.~~

~~The~~Approved Vendors could include a company that specializes in the aggregation and management of RECs; a for-profit developer or installer of photovoltaic systems; a municipality; or a non-profit serving a specific sector of the community, among others. The Agency does not restrict Approved Vendor participation by entity type.

Furthermore, the Agency does not require a specific delegation of duties between the Approved Vendor, sales generating firms, installer/developer, and system owner; rather, it believes that the market is better suited to allow a variety of business arrangements to develop. The key consideration is that the Approved Vendor is ultimately responsible for the fulfillment of contractual obligations, including any obligations delegated to subcontractors, in a manner consistent with the requirements of this Plan, other published Program requirements stemming from this Plan (such as those found in the Program Guidebook and Consumer Protection Handbook), and the Approved Vendor's contract with the counterparty utility.

~~As~~The Approved Vendor model benefits consumers because they can verify that an entity that proposes to develop a photovoltaic system for them (or sell them a subscription to a community solar project) is a legitimate entity participating in the Program. It is important for the Agency to have the ability to monitor the Program and ensure high quality performance by the Approved Vendors; an Approved Vendor that fails to live up to the requirements of the Program could have a significant negative impact on the renewable energy market in Illinois that would extend beyond just its own actions. Approved Vendors may be subject to disciplinary action by the Program (such as when an entity fails to provide necessary information in a timely manner), as customers may be negatively impacted by an Approved Vendor's lack of responsiveness.

A program which allowed any entity to receive a contract could provide more flexibility for customers than this "Approved Vendor" model. However, by having Approved Vendors—i.e., ensuring that any entity receiving a REC delivery contract is registered with and vetted by the Agency, and has met conditions predicate—the Agency is better able to monitor compliance with Program terms and conditions, ensure the accuracy and quality of information submitted, and reduce the administrative burden on the contractual counterparties.

Furthermore, as discussed in Section ~~7.8~~7.8, the Agency requires that Designees (entities working with or on behalf of Approved Vendors for participating projects) be registered with the Program. While this does not change the responsibilities of the Approved Vendor, or the potential for an Approved Vendor to be held accountable for the conduct of its Designee, the Agency believes that this step provides additional information and transparency to consumers and to the marketplace generally.

Approved Vendors must agree to at least the following terms:

- Participate in registration and complete any training developed by the Agency.
- Abide by these ongoing Program ~~terms and conditions~~requirements.
- Provide information to the Agency on the Approved Vendor's organizational history, ownership information, capacity, financial information, regulatory status in Illinois and other states (including current complaints or other actions against the Vendor or prior complaints within the past five years), etc.

- Disclose whether the entity is minority, woman, disabled, or veteran-owned or considered a small business, and provide an estimate of the percentage of staff at time of registration and subsequent annual renewals who are women, disabled, veterans, or minorities. This process will include specifying with which certification programs the business has registered.
- Be registered to do business in Illinois and provide copy of a Certificate of Good Standing from the Office of the Illinois Secretary of State upon request.
- Disclose to the Agency names and other information on installers and projects, while otherwise maintaining confidentiality of information.
- Document that all installers and other subcontractors comply with applicable local, state, and federal laws and regulations, including for example, maintaining Distributed Generation Installer Certification.
- Provide samples of any marketing materials or content used by the Approved Vendor, and/or their subcontractors/installers, designees, agents, and affiliates, to the Agency for review, as requested.[517]
- Agree to make changes to marketing materials as instructed by the Agency.[518]
- Register and maintain such registration in GATS or CleanCounts (formerly M-RETS) and demonstrate the ability to manage project application and REC management functions in the applicable tracking system.
- Pay ~~applicable~~ application fees for submitted batches of applications.
- Comply with all terms of contracts with utilities under the Program.
- Submit Annual Reports on a timely basis.
- Comply with applicable Minimum Equity Standard requirements (see Section 10.1 for more information).
- Agree to be listed on the Program website as an Approved Vendor in the Program.

~~7.7.1~~ Additionally, as discussed in more detail in Chapter 8, registration as an Illinois Shines Approved Vendor ~~Applications~~

~~Approved Vendors must have their approval renewed once a year. Failure by an~~is a prerequisite to becoming an Illinois Solar for All Approved Vendor ~~to follow~~, and the ~~requirements of Illinois Shines, as determined by the Agency and/~~loss or ~~its Program Administrator, may result in the entity having the~~ suspension of ~~or losing its~~ Approved Vendor status ~~as an Approved Vendor and thus losing the ability to bring new projects into the programs. Losing that status~~ under Illinois Shines would ~~not relieve~~result in an Approved ~~Vendor of its obligations to ensure that RECs from its projects that have been energized continue to be delivered to the applicable utility; failure to meet those contractual obligations could result in having the~~ Vendor's ~~credit collateral drawn upon. (See Section 7.12.1 for more discussion of contractual obligations.)~~status under the Illinois Solar for All program to also being terminated or suspended.

7.7.1 Approved Vendor Application and Renewal

An entity becomes an Approved Vendor by submitting an application through the Program Administrator and receiving approval. The application process was updated in the 2024-25 Program Year following the collection of stakeholder feedback. Approved Vendors must have their approval

[517] This requirement applies to, at minimum, printed materials, advertising through television and radio, websites (including affiliate websites), web ads, marketing via email or social media, telemarketing scripts, and leads purchased through lead-generation vendors.

[518] This requirement is not meant to impede the ability to market to customers, but rather to ensure that any types of marketing are not deceptive, confusing, or misleading. Likewise, the Agency is concerned about misrepresentations that could be made about the relationship between an Approved Vendor (or the subcontractors/installers) and the Agency or Program.

renewed once a year. As part of the renewal process, Approved Vendors will submit their training materials and certifications showing that their agents have been trained in accordance with Program requirements. The Program Administrator may request other materials and documents upon renewal as well, including, but not limited to, marketing materials and employee training materials.

Failure by an Approved Vendor to follow the requirements of Illinois Shines, as determined by the Agency and/or its Program Administrator, may result in the suspension or loss of status as an Approved Vendor. Suspension or loss of Approved Vendor status would prevent an entity from submitting new projects to both IPA solar incentive programs. Losing that status would not relieve an Approved Vendor of its obligations to ensure that RECs from its projects that have been Energized (Part II verified) continue to be delivered to the applicable utility; failure to meet those contractual obligations could result in having the Vendor's collateral drawn upon. (See Section 7.12.1 for more discussion of contractual obligations.) The Agency recognizes that there may be certain projects where the Approved Vendor model may not be completely appropriate~~, and~~. The Agency therefore allows an Approved Vendor who has only one project to apply under a more limited set of requirements as a "Single Project Approved Vendor~~.~~." Specifically, this designation ~~may apply to a~~can be utilized when the Approved Vendor owns the project ~~that~~(i.e. there is ~~owned by that Single Project Approved Vendor (as opposed to a situation where the Approved Vendor is an~~no intermediary between the system developer and/or owner and the contracting utility). In this situation, the following provisions related to Approved Vendors do not apply:

- Provide samples of any marketing materials or content used by the Approved Vendor, and/or their subcontractors/installers and affiliates, to the Agency for review, as requested.
- Agree to make changes to marketing materials as instructed by the Agency.

In addition, for Single Project Approved Vendors for a distributed generation project, the consumer protection requirements found in Chapter 9 of this Long-Term Plan would not apply ~~to the Single Project Approved Vendor for a distributed generation project, but if~~. If the project is a community solar system, all applicable community solar consumer protection requirements related to subscribers do apply (including those concerning marketing materials referenced above).

Entities who wish to make use of the "Single Project Approved Vendors" designation will need to request that status prior to submitting their system's Part I application, and the Program Administrator and Agency will review requests to ensure that this process is not used to avoid the more general requirements of this Program through the establishment of nominally separate entities.

~~The Agency also encourages the hiring of graduates of job training programs (as described in Sections 8.8.1 and 8.9.1) to work on installations of projects supported by Illinois Shines. The Program Administrator currently requests Approved Vendors to report on the planned usage of job training program graduates as part of the project application process and requires reporting on job trainee hiring as part of the annual reports submitted by each Approved Vendor.~~

~~As more trainees become available, the Program Administrator will provide additional information to Approved Vendors to support this goal.~~

~~At the time of the drafting and filing of this Plan in the Summer/Fall of 2023, the Agency planned to update the details of the Approved Vendor application via a stakeholder feedback process that was~~

~~tentatively planned to take place across late Summer/early Fall 2023. As the Approved Vendor application has been largely unchanged since Program inception, the Agency finds this update to be important and timely. A stakeholder feedback process was held during that time, and the Program will begin using the updated AV application in Program Year 2024-2025.~~

7.7.2 Equity Eligible Contractor Application Process

Approved Vendors that wish to submit projects into the Equity Eligible Contractor ("EEC") category must first apply to be certified as an EEC. They may do so in conjunction with their Approved Vendor application or at any time after submitting their initial Approved Vendor registration. ~~In order to streamline the process for a new Program participant to become a certified EEC and Approved Vendor, the Agency and the Program Administrator will include the EEC certification document in its Approved Vendor application.~~ This will help prevent an EEC-qualifying applicant from missing an essential step that could affect the Approved Vendor's ability to participate in the Equity Eligible Contractor category.[519]

If the Approved Vendor is organized as a corporation, general partnership, limited liability partnership, limited liability company, or limited partnership, the applicant will be asked to designate which owners, partners, or proprietors meet the EEC eligibility criteria. Similarly, if the Approved Vendor is organized as a non-profit, the applicant will be asked to provide the board membership of the non-profit and designate which board members meet the EEC eligibility criteria. However, if the Approved Vendor is a sole proprietor, no additional designations are required.

An Approved Vendor can qualify for an EEC certification by being owned by a sole proprietor who is an Equity Eligible Person or being majority-owned by Equity Eligible Person ("EEP"). EEP status is achieved under at least one of the following four categories:

- Persons who graduated from or are current or former participants in the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Illinois Climate Works Preapprenticeship Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, and the solar training pipeline and multi-cultural jobs program created in paragraphs (a)(1) and (a)(3) of Section 16-108.12 of the Public Utilities Act
- Persons who are graduates of or currently enrolled in the foster care system
- Persons who were formerly incarcerated
- Persons whose primary residence is in an Equity Investment Eligible Community.[520]

The IPA has further defined "persons who were formerly incarcerated" as any individual who (i) was sentenced to a term of imprisonment, not including juvenile detention, after the disposition of one or more misdemeanor or felony charges; and (ii) has completed their sentence. There is no time limit or expiration regarding when the incarceration occurred. The IPA defines "persons who are

[519] Final Order at 71, ICC Docket No. 22-0231 (Jul. 14, 2022).

[520] 20 ILCS 3855/1-10. Equity investment Eligible Communities are defined as 1) R3 Areas as established pursuant to the Cannabis Regulation and Tax Act, and 2) Environmental Justice Communities as established through Illinois Solar for All program. For maps and address lookup tools for these two areas see: https://r3.illinois.gov/eligibility and https://www.illinoissfa.com/environmental-justice-communities/ respectively; the Agency has also developed an Equity Eligible Investment Community map here: https://energyequity.illinois.gov/resources/equity-investment-eligible-community-map.html. Changes to the Environmental Justice Communities and R3 Area maps are subject to the various update process of each respective group.

graduates of or currently enrolled in the foster care system" as any individual who is currently or was formerly a youth in care of the Illinois Department of Children and Family Services, or the equivalent agency in another state.

EEC applicants will be required to complete an EEC ~~certification~~attestation and application in addition to the general Approved Vendor or Designee attestation and application. This ~~certification~~attestation must be completed by each owner or board member in the organization used to establish EEC status. In the initially-filed 2024 Long-Term Plan, the Agency proposed additional requirements for EEC certification related to demonstration of the socio-economic status of the majority-owner EEP and the management/control of the entity by the qualifying EEP. These two proposed requirements were not approved by the Commission and therefore ~~will~~were not be applied through the 2024 Plan.[521] ~~More detail~~

In this draft 2026 Long-Term Plan, the Agency is again proposing additional requirements for EEC certification related to the management/control of the entity by the qualifying EEP. Following extensive stakeholder feedback collected since the finalization of the 2024 Long-Term Plan, the Agency believes this is one of the most pressing issues facing the IPA's work. It is essential that the economic benefits of the EEC category flow to individuals and businesses that have historically been excluded from the clean energy economy, as set out in 1-75(c-10) of the Act. The Agency has reason to believe that there are EECs operating in which a large solar developer is performing all the development and Program application duties, and the qualifying EEP has little to no involvement with the business operations. The Agency is therefore proposing a dual-pathway approach for qualifying EEPs to demonstrate management and control of the EEC. The Agency will consider (1) business certifications from qualifying programs or (2) demonstration of management and control through the submission of documentation reviewed by the Agency. For further detailed discussion on this ~~topic is contained in~~ issue and proposal, please see Section ~~10.1.2.1 of this Final 2024 Plan.~~10.1.5.2.

Section 1-75(c-25)(2) requires that the Energy Equity Workforce Portal, as discussed in Chapter 10, include "a list of equity eligible contractors with their contact information, types of work performed, and locations worked in[.]" For the sake of transparency, the Agency may post a list of current EECs on the Illinois Shines website as well. All certified EEC Approved Vendors will be listed on public project application reports and potential other public reports.

As part of the EEC certification process, the Program Administrator may follow up with the applicant with additional questions to clarify EEC eligibility and reserves the right to seek additional information or other documents to confirm EEC eligibility.

~~The IPA requested stakeholder feedback on potential methods to account for the likelihood that an individual EEP may qualify based upon residence at one point~~As established in the ~~year, but may not in the future.[522] Feedback was split, with some supporting a more stringent approach similar to the Social Equity Applicant model in the cannabis sector, which~~2024 Long-Term Plan, the Agency generally requires ~~demonstrating residency in certain areas for 5 of the last 10 years, while others favored maximum flexibility to reduce the reporting burden on~~ that EEPs~~. The Agency will require~~

[521] Final Order at 75, 127, ICC Docket No. 23-0714 (Feb. 20, 2024).

[522] ~~Stakeholder feedback request and comments found on this page: https://illinoisshines.com/equity-eligible-contractors/~~

~~that EEPs that do not serve as majority owners of an EEC~~ that qualify based on their primary residence renew their certification every two years. All EECs ~~will need to~~must re-certify as an EEC each year alongside the annual renewal of their AV status. As part of that process, EEPs that serve as the majority-owner of an EEC and that qualify as an EEP based on residency ~~will be~~are required to re-certify their status as an Equity Eligible Person. For EECs that are majority-owned by EEPs ~~that~~who qualify based on one of the other criteria, this re-certification ~~will~~ only ~~require~~requires confirmation of continued majority-ownership by the EEP(s). Annual re-certification of EECs will ensure that the IPA is notified of any changes in ownership of the company. Requiring that an EEP majority-owner that qualifies based on primary residency re-certify each year also prevents an individual from simply renting an apartment in an EIEC for one year to create an EEC.

~~The Agency will also require that all EECs re-certify as an EEC each year alongside the annual renewal of their AV status. This re-certification will only require confirmation of majority-ownership by the EEP(s), and where that or those EEP(s) qualify based on residency, they will need to re-certify their qualification, as stated above.~~

The Equity Eligible Contractor category is intended to "advance[e] equity across Illinois by providing access to the clean energy economy for businesses and workers from communities that have been historically excluded from economic opportunities," and that purpose is best served by ensuring a level playing field across Equity Eligible Persons ("EEPs"). The IPA ~~has~~ determined in the 2024 Long-Term Plan that it does not further the objectives of the Equity Accountability System or the Equity Eligible Contractor category of Illinois Shines for an individual EEP to serve as the majority-owner for multiple Equity Eligible Contractor Approved Vendors.[523] The Commission agreed with this approach in the approval of ~~this~~ the 2024 Long-Term Plan.[524] The Agency plans to continue this approach under this 2026 Long-Term Plan. EEPs that currently serve as the majority-owner of an Equity Eligible Contractor Approved Vendor may not submit additional requests to certify Equity Eligible Contractor Approved Vendors for which they serve as the majority-owner EEP. However, this policy does not apply to Single-Project AVs, as the Agency recognizes the important role Single-Project AVs can play in successful financing of projects and does not want to limit an EEP's ability to employ business practices available to non-EEPs. Additionally, an EEP may serve as the majority owner of an EEC Designee or EEC subcontractor.

~~7.8 Designee Registration~~

7.8 Designees

As used herein, by "Designee," the Agency is referring to third-party (i.e., non-Approved Vendor) entities that have direct interaction with end-use customers on behalf of Approved Vendors. This includes, but is not limited to, installers, entities that perform maintenance and repair, warranty holders, marketing firms, lead generators, community solar subscription management firms, and sales organizations. The Agency reserves the right to add additional categories as needed.

Designees must register with the Program and be listed on the Program website along with the Approved Vendor(s) with whom they are working, where applicable. Registration also requires the assent of those Approved Vendor(s) and can be withdrawn by an Approved Vendor working with the

[523] Program announcement here: https://illinoisshines.com/wp-content/uploads/2023/07/ABP-Announcement-21July2023-Final-for-Publication.pdf.

[524] Final Order at 154, ICC Docket No. 23-0714 (Feb. 20, 2024).

Designee at its discretion, or by the IPA or Program Administrator if the Designee is found to have violated Program requirements and is suspended or has its registration terminated. ~~As used herein, by "Designee," the Agency is referring to third-party (i.e., non-Approved Vendor) entities that have direct interaction with end-use customers. This includes, but is not limited to, installers, entities that perform maintenance and repair, warranty holders, marketing firms, lead generators, community solar subscription management firms, and sales organizations. The Agency reserves the right to add additional categories as needed.~~ Like Approved Vendors, Designees must annually renew their registration. Registration encompasses the Designee's provision of contact information, acknowledgment of the business relationship with the Approved Vendor, and identification of the categories of the consumer-facing services provided. Designees must also indicate if they are minority-owned, woman-owned, veteran-owned, disability-owned or considered a small business and provide an estimate of the percentage of staff at time of registration who are women, minorities, veterans, or disabled. The Agency may alter requirements for Designee registration between the approval of this 2026 Long-Term Plan and the subsequent Long-Term Plans, as necessary.

Additionally, a Designee is responsible for acknowledging that it will comply with all Program requirements applicable to installers or marketing agents, as applicable. Since launching Illinois Shines, the Agency has become aware of instances of violation of Program guidelines by Designees that may have been committed without the knowledge or control of the underlying Approved Vendor. Failure by a Designee to comply with applicable requirements could subject the Designee to suspension or termination from registration. If the Designee ignores a suspension (or termination) decision made by the Program Administrator and continues Program activities nonetheless, any Approved Vendor that works with the Designee during that period may be subject to discipline. Likewise, Approved Vendors found to be working with entities engaged in the proscribed activities that fail to register will be subject to discipline.

The purpose of this requirement is to increase transparency for the Program. Potential customers will be able to verify that a company that reaches out to them is actually a Program participant registered with the Program (and likewise be able to review if they are listed on the Program's Consumer Complaint Report or the Program Violation Report).[525] While the Agency had anticipated that smaller installers would work with aggregator Approved Vendors, it has become clear that sales and marketing of solar includes a variety of different types of organizations and that this variance can create market confusion.

Approved Vendors are responsible for ensuring that their Designees register with the Program (which includes an attestation by that Designee that the Designee agrees to abide by Program terms and conditions), and Approved Vendors who fail to do so may be subject to disciplinary actions. This includes Designees contracted by or working for other Designees, sometimes referred to as "nested" ~~designees~~Designees. For example, for an Approved Vendor who has an installer serving as a Designee, and that installer hires a lead generation firm to assist in marketing for customer acquisition purposes, the Approved Vendor is responsible for ensuring that the lead generation firm (in addition to the installer) registers with the Program. One possible benefit to Approved Vendors through this system will be that they will know what downstream firms are working with their direct

[525] The Program's Consumer Complaint Report and the Program Violation Report can both be found here: https://illinoisshines.com/violations-report-cp-complaint-report/.

Designees, and they may be able to better monitor those firms' behavior (as the Approved Vendor is ultimately responsible with conformance with Program requirements).

~~The Program Administrator developed a Designee registration and annual renewal process, similar to the current renewal process for Approved Vendors in Winter 2023. As part of this process, Designees will submit their training materials and certifications showing that their agents have been trained in accordance with Program requirements.~~

7.8.1 Equity Eligible Contractor Designees

As discussed in Section ~~7.4.6,~~7.4.6, a Designee may also register as an Equity Eligible Contractor. This registration does not qualify projects from those Designees to be eligible for the Equity Eligible Contractor category. Instead, as described in Section ~~7.4.6,~~7.4.6, such Designees would need to work with an EEC Approved Vendor ~~that is EEC certified~~ in order for their project to be eligible for the EEC category. EEC certified Designees may also work with an Approved Vendor that is not EEC certified, but this would make projects submitted by that non-EEC certified Approved Vendors ineligible for the EEC category. The application process for EEC Designees will use the same criteria for qualifying as an EEC as described in Section ~~7.7.2~~7.7.2 for EEC Approved Vendors, including the requirement to re-certify as an EEC each year alongside the annual renewal of their Designee status. However, EEC Designees do not need to demonstrate control and management as is required of EEC Approved Vendors, as the purpose of requiring a demonstration of control and management is intended to reserve EEC Category capacity for the entities envisioned by the legislature, or the spirit of the category.

7.8.2 Equity Eligible Contractor Subcontractor Registration

~~The Agency has received feedback that emerging businesses that wish to become certified as Equity Eligible Contractors are facing a barrier because they cannot become certified as an EEC Designee until they have a relationship with an Approved Vendor. But they have difficult establishing business relationships when they cannot show that they qualify as an EEC. It has always been a requirement of Designee registration to have an established relationship with an Approved Vendor because, by definition, a Designee acts *on behalf of* an Approved Vendor, and must be registered by the Approved Vendor. This process for Designee registration was established prior to the~~ Prior to the passage of the Climate and Equitable Jobs Act ~~and~~, the Designee registration process did not contemplate a registration option for businesses that ~~seek~~sought to participate in the Program but ~~do~~that did not yet have a relationship with an Approved Vendor. The Agency received feedback prior to the 2024 Long-Term Plan that this was a barrier to emerging businesses that wanted to become certified as EEC Designees because they had difficulty establishing business relationships prior to EEC certification.

~~With~~Following the establishment of the Equity Accountability System, the universe of entities that ~~wish~~wanted to participate in the Illinois Shines program ~~has grown~~grew. In recognition of that shift and in an effort to support a range of Equity Eligible Contractors, the Agency ~~believes there is a need for~~ established a process ~~through which~~ for companies ~~without an established Approved Vendor relationship or otherwise required to register as a Designee may become an~~to receive Equity Eligible Contractor~~, be listed publicly as such, and generally~~ certification as Equity Eligible Contractor Subcontractors, even if they do not have an established Approved Vendor relationship

nor an obligation to register as a Designee. This process allows those companies to avail themselves of the benefits associated with being ~~an~~a certified EEC~~.~~

~~The Program Administrator will establish a process for subcontractors to be certified as Equity Eligible Contractors outside of the established Designee registration process.~~ and to be listed publicly as such. These Equity Eligible Contractors ~~will be~~are held to the same ownership requirements and limitations as outlined in Section ~~10.1.2. Additionally, the Program Administrator will establish a public facing list on the Illinois Shines website that lists EEC certified subcontractors for the express purpose of supporting EECs that are seeking to partner with Approved Vendors and to support Approved Vendors that are seeking to partner with these EEC-certified subcontractors. That list will also be posted on the Energy Workforce Equity Portal.~~ 10.1.2.

Any subcontractor that intends to interact with end use customers on behalf of an Approved Vendor must register as a Designee before acting in that capacity. Subcontractors that do not interact with end use customers are not required to register as Designees. Subcontractors that fail to properly register as Designees, and the Approved Vendors upon whose behalf they are acting, may face disciplinary action. EEC subcontractors do not need to demonstrate control and management as is required of EEC Approved Vendors, as the purpose of requiring a demonstration of control and management is intended to reserve EEC Category capacity for the entities envisioned by the legislature, or the spirit of the category.

7.9 Project Requirements

~~Projects that are~~For a project to be eligible for Illinois Shines, it must meet~~, at minimum,~~ two sets of requirements. The first relates to the technical aspects of the system itself, and the second to the customer (and additionally to subscribers, in the case of community solar). The purpose of the first set of requirements is to ensure that high-quality systems are installed that will be capable of generating the expected quantity of RECs over the duration of the delivery contracts. The purpose of the second set of requirements is to ensure ~~consumer protections~~consumers are protected.

Illinois Shines is intended to incentivize the development of new solar projects in Illinois. Public Act 102-0662 further reinforced that intent through edits to Section 1-75(c)(1)(B) expressly stating that it "shall not comply with the annual percentage targets . . . by procuring renewable energy credits that are unlikely to lead to the development of new renewable resources." As such, projects that were energized after June 1, 2017 and previously participated in the Agency's 2015-2017 utility distributed generation procurements or Supplemental Photovoltaic Procurement pursuant to Section 1-56(i) of the IPA Act – under which REC prices were established to facilitate the successful development of those projects – will not be considered eligible for REC Contracts under Illinois Shines.

7.9.1 Technical System Requirements

In this Section, the Agency outlines what technical information must ~~to~~ be submitted for each project. These standards apply for both distributed generation and community solar projects across all Program categories. The application process is described in more detail in Section 7.10.

The technical system requirements are as follows:

- Information about the system location, and size, including but not limited to
  - A description of the technical specifications of the main system components including the make and model, manufacturer, number (quantity) of panels, number of inverters and meters, array location (roof or ground mount), tilt, orientation
  - Site map or other project details
- Proof of site control and/or host acknowledgement
- Project-specific estimate of REC production during the delivery term using ~~PV Watts~~PVWatts or a similar tool
- For distributed generation systems over 25 kW, an interconnection agreement signed by both the interconnecting utility and the interconnecting customer[526]
- For community solar systems, a Certificate of Completion or Permission to Operate from the interconnecting utility will continue to be required at the Part II application. ~~An executed interconnection agreement will no longer be required at the Part I application for community solar projects.~~[527]
  - Part I applications for community solar projects previously required an executed interconnection agreement until the 2024 Long-Term Plan's implementation. The Agency has determined based on stakeholder feedback that it is not appropriate to return to that requirement.[528]
- For ground mounted systems over 250 kW, a land use permit, when applicable, from the Authority Having Jurisdiction ("AHJ") over the project. In the event a land use permit is not applicable, written confirmation from the AHJ that no permit is required must be provided.
- For systems that include a battery/storage component, a detailed schematic showing that either only solar generated power can be used to charge the battery or that the battery's output does not run through the meter used to measure solar output used for REC creation.
- Systems that do not include a battery/storage component will be limited to a DC capacity of 155% of the AC capacity. ~~Beginning June 1, 2024, all~~All systems that include a battery/storage component will be limited to a DC capacity of 200% of the AC capacity.

In the Initial Long-Term Plan, the Agency required that "[f]or systems over 25 kW, evidence of having obtained all non-ministerial permits that, according to the commercially reasonable investigation of the Approved Vendor, are necessary to the project at the time of application to the Adjustable Block program." While the Agency no longer requires this provision (other than as specified above for land use permits), failure to obtain permits is a developer risk and one which the Agency believes likely would not allow for the invoking of force majeure provisions applicable to failing to meet contractual obligations under the REC Contract.

[526] Illinois Shines now provides for separate categories for systems up to 25 kW, and greater than 25 kW and up to 5,000 kW, and for the purposes of the requirements related to each project, the Agency has determined that this 25 kW ~~breakpoint~~threshold is appropriate for different levels for requirements.

[527] ~~However, in approving the 2022 Long-Term Plan, the Commission directed the Agency to adjust scoring for the Traditional Community Solar category to encourage the participation of projects with a valid, executed interconnection agreement. See Final Order, ICC Docket No. 22-0231 at 58-60 (Jul. 14, 2022). This scoring element does not apply to community solar projects which apply through the Community-Driven Community Solar, Equity Eligible Contractor, or Public Schools categories.~~

[528] However, in approving the 2022 Long-Term Plan, the Commission directed the Agency to adjust scoring for the Traditional Community Solar category to encourage the participation of projects with a valid, executed interconnection agreement. See Final Order, ICC Docket No. 22-0231 at 58-60 (Jul. 14, 2022). This scoring element does not apply to community solar projects which apply through the Community-Driven Community Solar, Equity Eligible Contractor, or Public Schools categories.

For systems that have been energized prior to application, the following information may also be required in the Part I application[529]:

- GATS or CleanCounts (formerly M-RETS) unit ID[530]
- Certificate of Completion of Interconnection
- Photographic documentation of the installation

The Agency recognizes that there may be special situations where some portion of these documents may not be available (for example, some rural electric cooperatives and municipal utilities may not have standardized interconnection documents). The Agency will consider alternative documentation to demonstrate completion of interconnection in those situations.

7.9.2 Metering Requirements

In developing the Supplemental Photovoltaic Procurements that took place in 2015 and 2016, the Agency developed a metering standard[531] that is now used for Illinois Shines. That standard has been updated to reflect changes in CleanCounts (formerly M-RETS) metering requirements that harmonize with GATS standards and to clarify the use of inverters with integrated meters. The current standard applicable to systems registered in either PJM-GATS or CleanCounts (formerly M-RETS) is as follows:

- Systems 25 kW and over must utilize a new meter that meets ANSI C.12 standards. Inverters with integrated ANSI C.12 compliant production meters are allowed with a specification sheet showing this standard has been met. The inverter must be IEEE and/or UL-certified and must include either a digital or web-based output display.
- Systems over 10 kW and up to 25 kW in size utilize a meter that meets ANSI C.12 standards. Meters that are refurbished (and certified by the meter supplier) are allowed. Inverters with integrated ANSI C.12 compliant production meters are allowed with a specification sheet showing this standard has been met. The inverter must be IEEE and/or UL-certified and must include either a digital or web-based output display.
- Systems of 10 kW in size and below must utilize either a meter that is accurate to +/- 5% (including refurbished and certified meters), or an inverter that is specified by the manufacturer to be accurate to +/-5%. The inverter must be IEEE and/or UL-certified and must include either a digital or web-based output display.

In responses to Request for Comments after the Agency's workshops for the development of the Initial Long-Term Plan,[532] several commenters suggested allowing production estimates for smaller systems. A production estimate consists of GATS automatically generating RECs for a system based on the system size and engineering modeling of expected kilowatt hour generation. Production

[529] All three items will still be required for all projects in the Part II application and confirmation of all three items remains required for Part II verification.

[530] GATS or CleanCounts (formerly M-RETS) registration must be complete and unit ID verifiable through GATS or ~~M-RETS~~CleanCounts public reports.

[531] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ipa-metering-accuracy-standard-5-14-15.pdf.

[532] See: https://ipa.illinois.gov/energy-procurement/2017-long-term-renewable-resources-responses.html.

estimates do not require the system owner (or aggregator) to provide ongoing data to GATS. While several states do allow production estimates for smaller systems, because production estimates do not require any actual data being transmitted to the tracking system to verify production, production estimates could be problematic as there would be no way to verify the system's ongoing operation. By contrast, a meter read (from either a meter, or an inverter output) only needs to be submitted once per year to GATS. The Agency thus does not allow production estimates for Illinois Shines or the Illinois Solar for All program.

Given the upfront payments for RECs paired with the 15- or 20-year requirement for RECs to be delivered, the Agency believes that receiving actual data on system performance is ~~essential~~beneficial to ensuring the integrity of the RPS, and having meter reads as infrequent as annually (although they could be as frequently as monthly) appropriately balances the need for accurate data and the compliance burdens on the system operators. Therefore, the Initial Plan required metered output for the generation of RECs, although the use of inverter readings for systems up to 10 kW were continued to be allowed.[533] In other words, the metering standard developed for the Supplemental Photovoltaic Procurement was the metering standard for the Program, with the caveat that meter reads were only required on an annual basis. The Agency understands that as of January 1, 2020, CleanCounts (formerly M-RETS) no longer required an ANSI C.12 certified revenue quality meter, so the standards previously applicable for projects registered in GATS are now also applicable to projects registered in CleanCounts (formerly M-RETS~~.~~).

Additionally, in Docket No. 17-0838, questions were raised regarding the applicability of these metering standards to DC-based technologies. In its Order approving the Initial Plan, the Commission sought for the IPA to "ensure that its Plan does not inadvertently prohibit participation from systems that do not convert the DC electricity produced to AC electricity," with any resulting resolution to be presented to the Commission "before or in the 2019 Plan update." The IPA thus endeavored to work with stakeholders on solutions for facilitating permissible participation in Illinois Shines from DC-based systems.[534]

After approval of the Initial Plan, the Agency communicated regularly and deliberately with industry stakeholders who were seeking to coordinate and obtain ANSI approval of a new DC metering standard. However, the Agency has not received any subsequent input from such stakeholders and understands that this standard was finalized in of March 2021.[535] The Agency has not reviewed the applicability or relevance of this standard to its programs, nor has it received any expressions of interest in systems metered in this manner. Should the Agency become aware of interest in DC-based metering projects, it will initiate a stakeholder feedback process to establish appropriate DC metering standards.

~~The Agency again asked for stakeholder feedback on DC metering requirements for the drafting of this 2024 Long-Term Plan and received no substantial feedback from stakeholders, and therefore there is no addition of a DC metering standard under this 2024 Long-Term Plan.~~

[533] The Agency notes that while using an inverter rather than a meter may save on installation costs, if the inverter were to suffer a system failure and lose data, no RECs could be created. A meter may be a more reliable way to ensure REC creation.

[534] Final Order at 78-79, ICC Docket No. 17-0838 (April 3, 2018).

[535] ~~See: https://energycentral.com/c/gr/ansi-dc-metering-standard-earned-emerge-alliance~~ See: https://www.emergealliance.org/dc-revenue-grade-metering-standard/.

7.9.3 System Optimization

The Agency provides information on the Program website to educate customers and potential customers about optimal system design, and to provide information about typical ranges for specifications of solar photovoltaic systems participating in Illinois Shines.[536] The Agency updated the Distributed Generation Brochure and Disclosure Form in May 2023 following the approval of the 2022 Long-Term Plan with information to ensure customers are aware of the specifications for an optimized photovoltaic system.[537] ~~The Agency is also contemplating the development of additional educational materials to ensure that customers are aware of optimal specifications for a photovoltaic system in Illinois.~~

For more information regarding consumer protections and strategies to ensure optimal system specifications are known to consumers, please see Chapter ~~9~~9 of this Plan.

7.9.4 Co-location of Systems

Co-location of distributed generation projects occurs when multiple projects developed by one entity or affiliated entities are located on a single parcel. Section 1-75(c)(1)(K)(iii)(3) of the IPA Act prohibits the co-location of community solar projects with an aggregate nameplate capacity above 5,000 kilowatts~~,~~ and instructs the Agency to define co-location consistent with the requirements of the Agency's Revised Long-Term Plan as approved by the Commission on February 18, 2020. Under those provisions, co-location of community solar projects occurs when projects developed by the same or affiliated entities sited on the same or contiguous parcels. Additionally, the parcel or parcels may not have been divided into multiple parcels in the two years prior to the project's application to the Program. Community solar projects that are owned or developed by separate entities, meaning that they are not affiliates, may be located on adjacent parcels and will not be considered co-located. If there is a naturally good location from an interconnection standpoint, one owner should not be allowed to prevent another owner from developing a project in that location. All affiliated community solar projects must have a separate interconnection point in order to not be considered co-located.

The REC price for systems determined by the Agency to be co-located will be based on the size category for the total size of the co-located projects by that single entity or its affiliates. If no consideration is made for co-located projects, these projects could be structured to inappropriately maximize income from incentives, such as by dividing up a larger project into multiple, smaller projects that individually qualify for higher REC incentives.

7.9.4.1 Distributed Generation Co-location

Customers and Affiliation

Distributed generation projects will be considered co-located if they are located on a single parcel unless retail electric account ownership is confirmed to be unaffiliated and serves distinct electrical loads. To prevent gaming (such as establishing separate utility accounts by parcel for what would otherwise be a single retail customer on a facility spanning multiple parcels), the Agency reserves the right to determine whether systems may be considered co-located across adjacent parcels in the case of systems serving affiliated customers.

[536] See: https://illinoisshines.com/system-design-best-practices-and-considerations/

[537] See: https://illinoisshines.com/program-documents/

If 2 or more projects are developed, owned, or controlled by or originate from the same developer and the projects serve unaffiliated loads, the projects may be co-located if documentation indicates affiliated management and ownership in the pre-development, development, construction, and management of the projects and the projects are located on a single or adjacent parcels. Notwithstanding any subsequent transfer, assignment, or conveyance of ownership or development rights to separate legal entities, the Agency shall consider, in its determination of whether projects are affiliated, evidence that the projects were pre-developed by the same legal entity or an affiliated entity.

Size

The size of projects that are considered to be co-located will be the sum of the two projects' total nameplate capacity. For example, if there are two 10kW AC projects on a single parcel, the total, co-located system size will be 20kW AC.

Co-located distributed generation projects participating in the Program cannot have a total nameplate capacity larger than 5 MW AC in size.

REC Pricing

The projects will receive the REC price associated with the total nameplate capacity of both co-located systems. The REC price that the co-located system will receive is the REC price available for the summed system size at the time of the second project's application. If a project that is co-located with another project is submitted more than two years after ICC approval of the original system, then this co-located pricing adjustment will not apply. However, if the second co-located project has already been built and interconnected at the time of project application, the date of interconnection must be more than two years after the ICC approval of the original system. If not, it will be subject to co-location pricing. In situations where further, additional co-located projects are submitted, the Agency will consider the "original system" to be most recent project application with ICC approval in order to determine whether the additional project will be subject to expansion pricing.

In cases where one project is approved for a contract and later, a second project is submitted resulting in co-location, and that second co-located project is submitted to a different block, a weighted average is used to determine the combined contract value. However, in cases of system expansions or co-located projects where a project was submitted in a previous Program Year, the Agency reserves the right to limit the contract price adjustment to the lower REC price, in the event that co-located REC price results in a higher contract value for the original system. The Agency is making this clarification in order to ensure that it eliminates opportunities for gaming of REC pricing.

Affiliations

"Affiliated" means, with respect to any entity, any other entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with each other or a third entity. Evidence of affiliation may include, but is not limited to, shared personnel, common contractual or financing arrangements, a shared interconnection agreement, distinct interconnection agreements obtained by the same pre-development entity that are subsequently sold to distinct legal entities, familial relationships, or any demonstrable pattern of coordinated action in the pre-development, development, construction, or management of projects. The Agency shall determine affiliation based on evidence that projects either (i) share a common origin on a parcel that has been subdivided in the 2 years before the date of application or (ii) were pre-developed before the

beginning of construction by the same legal entity or an affiliated legal entity. The determination shall be made notwithstanding any subsequent transfer, assignment, or conveyance of ownership or development rights to separate legal entities.

"Control" means the possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Affiliates may not have shared sales or revenue-sharing arrangements, or common debt and equity financing arrangements.

The Agency is aware that, in rural areas of Illinois, it is not uncommon for a single parcel to have multiple buildings (and thus distinct load requirements met through distributed generation) that serve separate residential and agricultural uses. The Agency will evaluate requests to consider those uses as non-co-located on a case-by-case basis for the application of this standard. Additionally, family members may be considered affiliated entities for co-location purposes.

Co-location with Projects Not Participating in Illinois Shines

For ~~program~~Program compliance purposes, co-located distributed generation projects may sum to over 5MW in size if the co-located projects that are participating in the Program remain at or under the 5MW AC size requirement.

Evolving Technology: Shared Rooftop Solar for Multi-unit Buildings

The Agency is aware of new technology that can be used in multi-unit buildings that takes a single distributed generation system and divides production across separately metered units. Under Illinois Shines' current Program guidelines, such a system would be considered a single system and receive the corresponding REC price for the entire system size. Regardless of the new technology's ability to divide the production across separate utility meters, from the Program's perspective, this is one system (with one corresponding interconnection agreement) and should be treated as such. The Agency welcomes feedback on any other proposal to adequately address this new technology.

7.9.4.2 Community Solar Co-location

Parcels

Community solar projects will be considered co-located if they are located on a single parcel. Community solar projects sited on adjacent (i.e., contiguous) parcels ~~-~~will also be considered co-located unless systems are confirmed to be developed by unaffiliated entities. A parcel of land may not have been divided into multiple parcels in the two years prior to the project application in order to circumvent this policy. If a parcel has been divided within that time period, the requirement will apply to the boundaries of the larger parcel prior to its division. Additionally, parcels that are separated by a public road, railroad, or other right of way accessible at all times to the general public are not considered contiguous, and therefore will not be considered co-located.

Size

The size of projects that are considered to be co-located will be the sum of the two projects' total nameplate capacity. For example, if there are two 1 MW AC projects on a single parcel, the total, co-located system size will be 2 MW AC. Alternatively, if there are two 1 MWAC projects on adjacent parcels, the total, co-located system size will be 2 MW AC unless affiliation can be disproved.

Section 1-75(c)(1)(K)(iii)(3) explains that community solar projects participating in the TCS Category "projects shall not be colocated with one or more other community renewable generation projects, as defined in the Agency's first revised long-term renewable resources procurement plan approved by the Commission on February 18, 2020, such that the aggregate nameplate capacity exceeds 5,000 kilowatts." Accordingly, co-located community solar projects participating in the Program cannot have a total nameplate capacity larger than 5 MW AC in size.[538]

REC Pricing

The projects will receive the REC price associated with the total nameplate capacity of both co-located systems. The REC price that the co-located system will receive is the REC price available for the summed system size at the time of the second project's application. If a project that is co-located with another project is submitted more than two years after ICC approval of the original system, then this co-located pricing adjustment will not apply. However, if the second co-located project has already been built and interconnected at the time of project application, the date of interconnection must be more than two years after the ICC approval of the original system. If not, it will be subject to co-location pricing. In situations where further, additional co-located projects are submitted, the Agency will consider the "original system" to be most recent project application with ICC approval in order to determine whether the additional project will be subject to expansion pricing.

In cases where one project is approved for a contract and later, a second project is submitted resulting in co-location, and that second co-located project is submitted to a different block, a weighted average is used to determine the combined contract value. However, in cases of system expansions or co-located projects where a project was submitted in a previous Program Year, the Agency reserves the right to limit the contract price adjustment to the lower REC price, in the event that co-located REC price results in a higher contract value for the original system. The Agency is making this clarification in order to ensure that it eliminates opportunities for gaming of REC pricing.

Affiliations

"Affiliated" means, with respect to any entity, any other entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with each other or a third entity. Evidence of affiliation may include, but is not limited to, shared personnel, common contractual or financing arrangements, a shared interconnection agreement, distinct interconnection agreements obtained by the same pre-development entity that are subsequently sold to distinct legal entities, familial relationships, or any demonstrable pattern of coordinated action in the pre-development, development, construction, or management of community renewable generation projects. The Agency shall determine affiliation based on evidence that projects either (i) share a common origin on a parcel that has been subdivided in the 5 years before the date of application or (ii) were pre-developed before the beginning of construction by the same legal entity or an affiliated legal entity. The determination shall be made notwithstanding any subsequent transfer, assignment, or conveyance of ownership or development rights to separate legal entities.

[538] In approving ~~this~~the 2024 Long-Term Plan, the Commission explicitly confirmed that the Agency has appropriately defined co-location as applied at the parcel level; therefore, community solar projects located on separate rooftops will continue to be considered co-located based upon their location on the same or adjacent parcels. Final Order at 77, ICC Docket No. 23-0714 (Feb. 20, 2024).

"Control" means the possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Affiliates may not have shared sales or revenue-sharing arrangements, or common debt and equity financing arrangements.

Exceptions will be made if it can be demonstrated that two projects on one parcel or two projects on adjacent parcels have separate, nonaffiliated owners. While unlikely to be applicable to community solar, family members may be considered affiliated entities for the purposes of considering co-location between projects.

Specific Rooftop Co-location Considerations

Community solar projects sited on separate rooftops or structures on adjacent parcels will not be considered co-located unless located on the same building or structure. Multiple community solar projects sited on distinct structures located on a single parcel will be considered co-located and must demonstrate that the projects are unaffiliated in order to not be considered co-located.

7.9.5 Eligibility of Projects Located in Rural Electric Cooperatives and Municipal Utilities

The definition of community renewable generation projects specifically mentions rural electric cooperatives and municipal utilities,[539] but does not explicitly include or exclude them from any program or procurement to be run by the Agency. Moreover, the definition includes the concept of that project having "subscribers," a term which in turn has a definition that defines such "subscribers" as "tak[ing] delivery service from an *electric utility*," which as defined in the IPA Act does not include cooperative and municipal utilities.[540] This resulted in ambiguity around whether a community renewable generation project can be located within the service territory of a rural electric cooperative or a municipal utility.

The Agency recognized the General Assembly's choice expressly to include those entities in defining "community renewable generation projects"—a term only used in the IPA Act in connection with the Agency's community renewable generation program—and proposed in its Initial Long-Term Plan that community renewable generation projects (including community solar) located in these service territories should, if possible, be eligible for Illinois Shines and Illinois Solar for All programs (where applicable).

The status of community renewable generation projects and distributed energy generation devices located in the service territories of rural electric cooperatives, municipal electric utilities, and Mt. Carmel Public Utility Company was a contested issue in Docket No. 17-0838. The Commission's Final Order in that proceeding determined that the Agency's Initial Plan correctly allowed the participation

[539] See 20 ILCS 3855/1-10 ("'Community renewable generation project' means an electric generating facility that is . . . interconnected at the distribution system level of an electric utility as defined in this Section, a municipal utility as defined in this Section that owns or operates electric distribution facilities, a public utility as defined in Section 3-105 of the Public Utilities Act, or an electric cooperative, as defined in Section 3-119 of the Public Utilities Act").

[540] Specifically, Section 1-10 of the IPA Act defines an electric utility as having "the same definition as found in Section 16-102 of the Public Utilities Act," which is "a public utility, as defined in Section 3-105 of this Act, that has a franchise, license, permit or right to furnish or sell electricity to retail customers within a service area." 220 ILCS 5/16-102. Section 3-105 of the PUA in turn defines "public utility" to expressly *exclude* "public utilities that are owned and operated by any political subdivision, public institution of higher education or municipal corporation of this State, or public utilities that are owned by such political subdivision, public institution of higher education, or municipal corporation and operated by any of its lessees or operating agents" as well as "electric cooperatives as defined in Section 3-119" of the PUA. 220 ILCS 5/3-105.

of these projects in the Program, the Community Renewable Generation Program, and the Illinois Solar for All program.[541] In June 2018, Commonwealth Edison Company filed a petition seeking review of that determination (i.e., an appeal) with the State's Second District Appellate Court, case number 2-18-0504. On May 2, 2019, the Appellate Court affirmed the ICC's decision in this regard. On July 11, 2019, ComEd filed a Petition for Leave to Appeal, No. 124898, with the Supreme Court of Illinois. It was denied on September 25, 2019, resolving this issue and clarifying that projects in the service territories of rural electric cooperatives, municipal electric utilities, and Mt. Carmel Public Utility Company, are indeed eligible to receive REC delivery contracts under Illinois Shines and the Illinois Solar for All Program. However, distributed generation projects participating in Illinois Shines are not permitted to offset the load of an electric cooperative as distributed generation is, by definition, meant to offset ~~of~~ a singular customer's load.

The requirements for participation for a community renewable generation project located in a rural electric cooperative or municipal utility follow from those required in the Act for electric utilities. Rural electric cooperatives and municipal utilities are not regulated by the State and thus are not compelled to meet these requirements as a matter of law or state regulation. But should they choose not to do so, then the residents and businesses within their service territories would not benefit from receiving revenue through these programs for its RECs, and thus the economics of such projects may not be as attractive to developers or subscribers. Those requirements are as follows:

- Be capable of "credit[ing] the value of electricity generated by the facility to the subscribers of the facility."[542] This can be accomplished through offering "virtual net metering" substantially similar to the provisions contained in Section 16-107.5(l) of the Public Utilities Act.[543] The value of electricity credited must be at no lower than the subscriber's supply rate.[544]
- Provide a monetary credit to a subscriber's subsequent bill for service for the proportional output of a community renewable generation project attributable to that subscriber.[545]
- Purchase any unsubscribed energy from community renewable generation projects that are Qualifying Facilities ("QF") under the electric utility's tariff for purchasing the output from QFs under Public Utilities Regulatory Policies Act of 1978.[546]

Prior to a photovoltaic community renewable generation project applying for Illinois Shines, or a community renewable generation project powered by other renewable technologies participating in the competitive procurement, the Approved Vendor shall obtain a certification addressed to the Agency that the rural electric cooperative or municipal utility has met these conditions from the subject cooperative or municipal utility. Absent this information, a project located in the service territory of that rural electric cooperative or municipal utility will not be allowed to participate. All

[541] Final Order at 177-179, ICC Docket No. 17-0838 (Apr. 3, 2018).

[542] 20 ILCS 3855/1-10 (defining "Community Renewable Generation Facility").

[543] 220 ILCS 5/16-107.5(*l*).

[544] If the municipal utility or rural electric cooperative does not have unbundled rates (e.g., separate line items for delivery services and electricity supply) then the applicable municipal utility or rural electric cooperative must indicate the portion of the bundled rate that reasonably correlates to the cost of electricity supply service.

[545] 20 ILCS 3855/1-75(c)(1)(N).

[546] Id.

other Program requirements for community renewable generation projects (e.g., size limits, co-location, consumer protections) would apply to projects located in rural electric cooperatives or municipal utility service territories. For the purposes of rural electric cooperatives, these requirements apply at the distribution cooperative level, rather than for generation and transmission cooperatives (which do not directly interact with retail customers).

7.9.6 Specific Requirements for Community Solar

Community solar is intended to allow consumers to participate in renewable energy generation even if they are unable to have an on-site system at their home or business, and to offer a more direct connection to the benefits of renewable energy than signing up for a renewable energy retail supply offer from an Alternative Retail Electric Supplier (where information about the specific sources, costs, and benefits of the renewable energy and the underlying generating system(s) may not be readily available). Community, or "shared," renewable energy is growing nationally, most often in conjunction with solar power. The Solar Energy Industries Association reports that nearly ~~5,600 MW~~8.8 GW of community solar had been developed in the United States through ~~2022~~Q1 of 2025.[547]

Many policy issues that have been debated in other states are resolved in Illinois the law itself, including elements of project size, ownership structures, and the minimum number and type of subscribers. In addition to explaining those aspects of Illinois law, within this Section ~~7.9.6~~7.9.6 and the following subsections, the Agency outlines the terms and conditions for the Community Renewable Generation Program that are not prescribed by the IPA Act.

7.9.6.1 Subscriber Requirements

With community renewable generation project structures may continue to evolve, most offers the Agency has observed in the market to date are simply cost savings offers, under which the customer pays a lower per kilowatt hour fee for a community solar subscription than the customer receives as a per kilowatt hour credit through net metering. In general, Agency seeks to allow creativity and flexibility in developing projects and creating unique value propositions for subscribers, while at the same time ensuring basic consumer protections for subscribers to a community solar project. These considerations will apply for all types of community solar projects.

7.9.6.2 Residential and Small Commercial Customer Participation

In the development of the Initial Long-Term Plan to address the requirement that the Agency propose terms and conditions that "ensure robust participation opportunities for residential and small commercial customers and those who cannot install renewable energy on their own properties,"[548] the Agency defined small subscribers as "residential and small commercial customers" so long as their subscription size is below 25 kW.

~~Effective for the past two Program Years (2022-23 and 2023-24) and the Program Years governed by this Plan (2024-25 and 2025-26),~~ Section 1-75(c)(1)(K)(iii)(2) of the IPA Act requires that "projects shall have subscriptions of 25 kW or less for at least 50% of the facility's nameplate capacity and the Agency shall price the renewable energy credits with that as a factor." The REC prices for

[547] See: https://www.seia.org/initiatives/community-solar

[548] 20 ILCS 3855/1-75(c)(1)(N).

community solar projects reflect the assumed costs of acquiring and maintaining small subscribers, as explained above in Section ~~7.5.7.~~7.5.5.

In order to determine whether a community solar subscription qualifies to meet this threshold, the Agency proposed in the version of ~~this~~the 2024 Long-Term Plan filed with the Commission in October 2023 to aggregate subscriptions across all community solar projects. Program-wide, this would consider cumulative subscriptions of a single subscriber across projects over 25 kW as ineligible to be counted toward this minimum 50% threshold. That proposal stemmed from the discovery of nearly 200 subscribers had multiple subscriptions that combined to exceed 25 kW. The Agency believed that this was conducted in error, as it was always the intent to apply the small subscriber threshold as cumulative across subscriptions for the same customer. When this clarification was originally ~~published in~~contemplated for the ~~draft~~ 2023-24 Program Guidebook,[549] the Agency received feedback claiming that this requirement would cause implementation issues for community solar project developers seeking to remain in compliance with Program requirements. Accordingly, the Agency removed the clarification from the 2023-2024 Program Year Guidebook[550], and instead submitted it for Commission approval under ~~this~~the 2024 Long-Term Plan.

The Agency saw this clarification of the IPA's long-standing approach to the small subscriber threshold in the 2024 Long-Term Plan as necessary to provide certainty over the statutory requirements contained within the Act. While Section 1-75(c)(1)(K)(iii)(2) of the Act references subscription size, Section 1-75(c)(1)(N) instructs the Agency to establish "the terms, conditions, and program requirements for photovoltaic community renewable generation projects with a goal to expand access to a broader group of energy consumers, to ensure robust participation opportunities for residential and small commercial customers and those who cannot install renewable energy on their own properties." (emphasis added.) In its Final Order approving this Long-Term Plan, the Commission disagreed with the Agency's interpretation, finding that Section 1-75(c)(1)(K)(iii)(2)'s "reference to 'the' project suggests that it applies only to subscribers on a project-by-project basis."[551] Therefore, the Agency will only consider whether a subscriber's subscription(s) *to a single community solar project* total no more than 25kW in determining the subscriptions' eligibility to count toward the 50% small subscriber threshold. The Agency will maintain this methodology for the Program Years covered until this 2026 Long-Term Plan.

~~The~~ In the 2024 Long-Term Plan, the Agency had noted the possibility that, under ~~the interpretation put forth in Objections to the Plan~~this methodology, community solar developers may circumvent providing opportunities for residential and small commercial customers through instead marketing multiple 25 kW or smaller subscriptions to larger commercial and industrial customers. The Agency has seen this behavior under this interpretation: if grouped by utility account number across the whole Program, 11.6% of subscriptions would no longer be considered "small." As noted above, the community solar REC prices reflect assumptions regarding the required recruitment efforts to meet the small subscriber threshold, and the Commission acknowledged "the possibility that the REC Pricing Model might not reflect the actual amount of marketing taking place for TCS projects."[552] The Commission directed the IPA to "monitor this process as necessary to promote the goals of the IPA

[550] Rationale for Illinois Shines Program Guidebook Changes (Program year 2023-24 Version published April 17, 2023) – April 21, 2023, https://illinoisabp.com/wp-content/uploads/2023/04/Guidebook-Changes-Rationale-for-PY-23-24-FINAL-21-april-2023.pdf

[551] Final Order at 120, ICC Docket No. 23-0714 (Feb. 20, 2024).

[552] Id.

Act."[553] Subsequent to the implementation of the 2024 Long-Term Plan, the REC pricing model has been reviewed and updated as it relates to the costs of CS subscriber acquisition. The Agency has continued to research and evaluate CS subscriber acquisition costs as they are reflected through the REC Pricing Model and has decided to hold the CS adder steady from the previous plan into the latest REC Pricing Model. The Agency believes that the acquisition costs that are utilized in the model are reflective of current market conditions. Agency's Planning and Procurement Consultant, E3, performed market research on subscriber acquisition costs in other markets as well as Illinois and made updates to the costs utilized in the model based on their findings. The Agency sought feedback from stakeholders to inform updates to the REC Pricing Model and this 2026 Long-Term Plan; however, stakeholders provided no substantive details or data that could be used to adjust or corroborate the values input into the model. Given the limited availability of public information on subscriber acquisition costs, the Agency is interested in detailed, quantitative stakeholder feedback on these costs to further refine the inputs into the REC Pricing Model for CS projects.

7.9.7 Utility Responsibilities

While the Agency is responsible for the procurement of RECs from community solar projects, it is not responsible for all aspects of a successful program. There are additional key aspects of making community solar projects successful that fall outside of the control of the Agency:

- The crediting of the value of energy through net metering
- Ensuring the portability and transferability of subscriptions within a utility service territory.

The Agency will work with system owners and developers as well as the utilities (and with rural electric cooperatives and municipal utilities should they choose to participate) to reflect these aspects in the terms, conditions, and operational aspects of the programs and procurements conducted by the Agency. The Agency will also coordinate with the utilities for the sharing of any pertinent data and information that each party collects and maintains regarding projects and subscriptions.

Under the provisions of P.A. 99-0906, the Commission approved tariffs for ComEd, Ameren Illinois and MidAmerican on September 27, 2017, which the Agency understands complied with the requirements of Section 16-107.5 of PUA in terms of crediting to subscribers and with the requirements of and Section 1-75(c)(1)(N) of the IPA Act in terms of subscription portability.

Public Act 102-0662, significantly updated the net metering requirements for the utilities and set a deadline for new tariffs to be filed within 90 days and approved by the Commission within 120 days of the effective date of Public Act 102-0662.[554]

First and foremost under the changes to Section 16-107.5 of the PUA is the addition of the provision that "only electric utilities serving more than 200,000 customers as of January 1, 2021 shall provide net metering for projects that are eligible for subparagraph (C) of this paragraph (1) and have energized after the effective date of this amendatory Act of the 102nd General Assembly[.]"[555]

[553] Id.

[554] 220 ILCS 5/16-107.5(l-5).

[555] 220 ILCS 5/16-107.5(l)(1).

Subparagraph (C)(1) of Section 16-107.5(l) of the PUA identifies those net metering projects as "subscriptions to community solar renewable generation projects, including community renewable generation projects on the customer's side of the billing meter of a host facility and partially used for the customer's own load." As a result of these changes and in conjunction with the requirement that updated tariffs be filed with the Commission 90 days after the effective date of 102-0662, on December 14, 2021, MidAmerican filed a Petition for Special Permission to put updated tariffs into effect on less than 45 days' notice with changes to its Rate NMS – Net Metering for Subscribers to Community Renewable Generation Projects (Rate NMS). These proposed revisions reflect the fact that MidAmerican, as an electric utility serving less than 200,000 customers on January 1, 2021, is no longer required to offer community solar subscription net metering for community renewable generation projects built after September 15, 2021. Based upon the recommendation of ICC Staff, the Commission granted special permission to allow these tariff changes at its Regular Open Meeting on January 5, 2022.[556]

Other changes to Section 16-107.5 of the PUA pursuant to P.A. 102-0662 resolve questions regarding the calculation of net metering credits and issues which require that electricity providers provide credits "that include at least energy supply, capacity, transmission, and, if applicable, the purchased energy adjustment."[557] Additionally, electric utilities serving more than 200,000 customers as of January 1, 2021 (i.e., ComEd and Ameren) shall provide the subscription credits on the customer's monthly utility bill at the utility's total price to compare equal to the subscriber's share of the production of electricity from the project, including for customers on payment plans or participating in budget billing programs.[558]

7.10 Application Process

The following section outlines the process and procedure that Approved Vendors will use to submit projects to the Program Administrator for review and approval, as well as how projects, once approved, will be placed into contracts with the utilities. Further information on the application process can be found in the current Program Guidebook.[559]

7.10.1 Batches

Approved Vendors are required to submit groups of projects ~~bundled into~~ , referred to as "batches~~.~~." A batch, or a group or projects, may include a combination of project types, including project types across Program categories, as long as this group of projects fall under the same REC Contract type. For a new Approved Vendor, the first batch submitted generally must consist of at least 100 kW.

Approved Vendors are allowed to select which batches its approved systems are placed into, so that they can better manage their ~~financing~~project portfolios and related finances.[560] Once systems' Part I applications are verified, and before they are sent to the Commission for approval, an Approved Vendor will be consulted and given the opportunity to specify how its verified systems are batched,

[556] ~~Illinois Commerce Commission Regular Open Meeting, January 5, 2022~~https://www.icc.illinois.gov/docket/P2021-0852/documents/319121~~; Special Permission Letter, January 5, 2022~~; Special Permission Letter, January 5, 2022: https://www.icc.illinois.gov/docket/P2021-0852/documents/319121/files/555479.pdf

[557] 220 ILCS 5/16-107.5(l)(2).

[558] 220 ILCS 5/16-107.5(l)(3).

[559] See: https://illinoisshines.com/program-documents/

[560] Final Order at 75, ICC Docket No. 19-0995 (Feb. 18, 2020).

so long as those batches of verified systems are at least 100 kW in size~~.~~ (or 25 kW for the first batch from a Small and Emerging Business Approved Vendor, as discussed below in Section 7.10.1.1).

For established Approved Vendors that have had a contract approved by the Commission ~~and do not desire to assemble batches into portfolios in this way~~, projects may be submitted on a rolling basis, and as projects are verified, the Program Administrator will place them into new batches that will result in a contract and/or new confirmations with one utility.

Utilities may use one master agreement (or REC Contract) with multiple confirmations (one confirmation per batch) from an Approved Vendor, rather than having multiple agreements (or REC Contracts) with the same vendor.[561] The systems within the batch/confirmation will be listed on a schedule (or product order) attached to the master contract and may not be substituted once approved.[562]

~~A batch, or a group or projects, may include a combination of project types, including project types across Program categories, as long as this group of projects fall under the same REC Contract type.~~ The price for the RECs for each system will generally be based on the price available within the applicable block on the date of application submittal.[563] The failure of any system to be developed (and thus the forfeiture of any collateral associated with that specific system) will not impact any of the other systems on the same schedule, although the Agency ~~will monitor~~monitors system failure rates across Approved Vendors. Approved Vendors with high failure rates may be required to provide additional information to the Agency for subsequent applications.

The Program Administrator will determine which utility will serve as the counterparty for each contract. ~~While a~~A batch may contain projects in multiple utility service territories~~, the~~. The Program Administrator will ~~strive to assign contracts to the utility where the bulk of the projects are located but may not always be able to do so because the Program Administrator will also~~ consider how ~~assigning contracts to each utility will allow~~contract assignment contributes to allowing each utility to meet its pro-rata share of the RPS REC targets and available RPS funding, and will strive to assign contracts to the utility where the bulk of the projects are located. The REC price for each system will be based on the applicable Group for that system's physical location~~,~~ and not based on the identity of the counterparty utility to that contract.

After a batch of projects is created by the Program Administrator, the number of RECs to be delivered annually and payment amount(s) for the batch will be provided to the utility by the Program Administrator for purposes of contract/confirmation preparation (i.e., the utilities will track the RECs by batch rather than by individual unit). Utilities will send a report of RECs delivered by batch semi-annually to the Program Administrator.[564]

[561] Final Order at 109, ICC Docket No. 17-0838 (Apr. 3, 2018).

[562] The Agency has developed a process to allow Approved Vendors the flexibility to "unbatch" projects after Commission approval of a REC contract in limited situations as needed to assist in resolving consumer protection concerns. See Section 9.4.2.1.4. for further information.

[563] Waitlisted projects may be selected off a waitlist in any given Group/category combination either when a new block of capacity is opened in the following Program Year (and receive the new block's REC price) or when uncontracted capacity is allocated at the end of a Program Year. Beginning the 2024-25 Program Year, the Agency employed a price adjustment cap for changes to REC Prices for waitlisted Distributed Generation projects as described in Section 7.3.1.1.

[564] See Id.

7.10.1.1 Reduced Initial Batch Requirement for Small and Emerging Business AVs

The IPA seeks to ensure that small and emerging businesses are able to successfully participate in its programs. As the Agency proposes measures to achieve this goal, it is seeking to refine its definition of "small and emerging business." The IPA Act does not define "small and emerging business." The Agency has previously utilized the federal U.S. Small Business Administration definition of "small" based on annual revenues within the appropriate NAICS category[565], however, the Agency has found that this definition is too broad and not easily utilized for the entities participating in its Programs.

The Agency considered defining "small business" in accordance with the Illinois Small Business Advisory Act's: any for profit entity, independently owned and operated, that has gross revenue of less than $4,000,000 per year, or that has 50 or fewer full-time employees. However, the Agency is concerned that including employee headcount in the definition of "small" business would still be too broad and encompass too many entities. As such the Agency proposes to define a "small" business as any for profit entity, independently owned and operated, that grosses less than $4 million per year.

The Agency proposes to continue utilizing the same definition of "emerging" business that was present in Section 8.2.3. of the 2024 Long-Term Plan: a business that has been authorized to do business in any U.S. State for less than three years. The Agency will allow any entity that meets either (or both) of those criteria to qualify as a "small and emerging business" (SEB) for purposes of administration of Illinois Shines and Illinois Solar for All. The Agency welcomes additional stakeholder feedback in response to this draft 2026 Long-Term Plan as it seeks to select the proper thresholds for this definition, such that newer and smaller companies receive the support intended through these proposals. In particular, the Agency appreciate stakeholder feedback on the definition of a "small business," and whether the Agency should incorporate an employee headcount into the definition.

One of the measures the Agency is proposing to provide support to SEB Approved Vendors is a reduced first batch size requirement. Beginning in Program Year 2026-27, the Agency plans to allow new SEB Approved Vendors to submit a first batch of no less than 25 kW. The Agency sought stakeholder feedback regarding this proposal ahead of the Draft 2026 Long-Term Plan in order to reduce barriers for new Approved Vendors and received positive feedback from stakeholders for this proposal.

7.10.2 Application Fee

For each project, a non-refundable application fee must be paid to the Program Administrator or the Agency of $20 per kW, not to exceed $15,000 per project. ~~This is an increase from the current fee of $10 per kW, not to exceed $5,000 per project. The increase in fees is designed to reduce the Program administration costs that are otherwise paid for out of the RPS budget, and to recognize the increase in maximum project size from 2 MW to 5 MW. The Agency increased the fee as application review has taken more administrative work than previously required prior to the passage of P.A. 102-0662, due to increased complexity of Program requirements and scoring mechanisms, which has in turn required additional review in the processing of applications submitted to the Program.~~ This fee will be used to offset the administrative costs of running the Program, including the review of project

[565] See Small Business Association, "Table of Small Business Size Standard," https://www.sba.gov/sites/sbagov/files/2023-06/Table%20of%20Size%20Standards_Effective%20March%2017%2C%202023%20%282%29.pdf.

applications, thereby decreasing the administrative fees that would otherwise be taken from the utility RPS budgets.[566]

7.10.3 Project Review

The Program Administrator reviews project applications received by the Program and as needed, requests additional information from the Approved Vendor in order to verify the submitted information and approve the project. An Approved Vendor will be given up to two weeks to cure deficiencies in an application. If deficiencies cannot be cured, the project application will be withdrawn. ~~If~~After such a withdrawal, if the Approved Vendor can subsequently address the deficiencies, the Approved Vendor can resubmit the project (with a new application fee). For Approved Vendors participating in the ~~proposed training/~~mentorship program as mentees described in Section ~~7.2~~7.2, as well as all Equity Eligible Contractor qualified Approved Vendors (regardless of their participation in the ~~training and~~ mentorship program), new application fees will be waived if the resubmittal happens within three months of the initial application being withdrawn pending Agency approval.[567]

For an initial ~~100 kW~~ batch, if, after any attempts to cure deficiencies have been made, projects representing at least 75% of the capacity of the batch are reviewed and approved by the Program Administrator, that batch will be included in a REC Contract presented to the Commission for approval. For established Approved Vendors, on a rolling basis in anticipation of the next scheduled Commission meeting, the Program Administrator will place verified projects for each Approved Vendor into batches for assignment to a counterparty utility~~, and~~. The Program Administrator will also prepare the confirmation information (and~~, in that case,~~ master agreement information, if it is the Approved Vendor's first batch) or the REC Contract information related to that batch.[568]

The Program Administrator will then submit the contract information for the batch to the Commission for approval. The Program Administrator will simultaneously forward the contract information to the applicable utility.[569]

An Approved Vendor that repeatedly submits deficient or noncompliant project applications may be subject to having its Approved Vendor status reviewed, and possibly suspended or terminated.

7.10.3.1 Opt-in Batching for Community Solar Projects

Following Part I verification, the Program Administrator submits batches of projects to the ICC for approval, as discussed above. Approved Vendors have the opportunity to withhold or re-batch projects during this process. The Agency has limited projects to no more than two withholds before the project must be sent to the ICC for consideration and approval. Limiting the amount of time a project can be withheld is important to allow the Program to operate in an effective manner, ensures

[566] Under Section 1-75(c)(1)(M) of the Act, the Agency may also use the proceeds of the application fees to support public education and ongoing regional and national coordination with nonprofit organizations, public bodies, and other engaged in the implementation of renewable incentive programs or similar initiatives. This work may include developing papers and reports, hosting regional and national conferences, and other work deemed necessary by the Agency to position the State of Illinois as a national leader in renewable energy incentive program development and administration.

[567] Final Order at 69, ICC Docket No. 22-0231 (Jul. 14, 2022).

[568] Final Order at 115-116, ICC Docket No. 17-0838 (Apr. 3, 2018).

[569] Id.

fairness across all submitted projects, and dissuades Approved Vendors from submitting speculative projects to the Program that are not ready for ICC approval.

The Agency observed an increase in requests to hold projects from submission to the ICC beyond the two allowances offered, as well as untimely requests to edit submissions that have already been sent to the ICC. These requests have been made primarily for community solar projects. The Agency proposed "extended withhold requests" in Section 5.A of the draft 2025-2026 Program Guidebook[570] which would have allowed for projects to be withheld for up to 12 months before submission to the ICC. The Agency received feedback that the extended withhold process as proposed was not favored by stakeholders as it could lead to gaming and abuse if not further refined. In agreement, the Agency decided to not move forward with the extended withhold process and instead work on refinements to the current batching and ICC memo submission process.

One of the proposed refinements the Agency may implement following the finalization of the 2026 Long-Term Plan is to halt automatic batching of community solar projects after Part I verification. With this change, community solar projects would only be submitted for batching if the Approved Vendor "opts-in." The Agency understands that development issues, especially those related to interconnection queue timing, are legitimate, affect project certainty, and are difficult for Approved Vendors to navigate. The Agency believes this change may balance those difficult development issues with the need for effective Program administration.

The Agency proposed this change in a request for feedback ahead of this Draft 2026 Long-Term Plan but received only limited feedback. The Agency welcomes additional feedback, particularly on whether there is an appropriate time limit (or limit on number of ICC meetings allowed to pass) to allow community solar projects to remain unsubmitted to the ICC without opting-in for batching before being required to move forward with ICC submission. The Agency is still considering whether to include this in its filing of the 2026 Long-Term Plan as it seeks additional feedback and observes the effects of updates made to the process at the opening of the 2025-26 Program Year.

7.10.4 Converting System Size into REC Quantities

For each approved system, the Program Administrator will calculate a 15- or 20-year REC payment amount and obligation level, and that payment amount and delivery obligation will be included in the associated REC Contract. Approved Vendors will have the option of using a PVWatts[571] calculated capacity factor (stated relative to a system's nameplate capacity in AC rating) automatically computed by the application platform or of proposing an alternative capacity factor based upon an analysis conducted using an equivalent tool. Alternative capacity factors may be proposed as part of each system's application and will be subject to review and approval by the Program Administrator. Systems using bifacial panels must submit an alternative capacity factor subject to review and approval by the Program Administrator. All capacity factors submitted must be for a system's first year; as stated in Section ~~7.12.2~~7.12.2 below, annual REC delivery commitments will incorporate a 0.5% per year degradation factor.

[570] March 7, 2025 Draft 2025-26 Program Guidebook, https://illinoisshines.com/wp-content/uploads/2025/03/Draft-PY-25-26-Program-Guidebook-for-publication-7March2025.pdf.

[571] In the event PVWatts becomes unavailable, the Agency will opine to identify and use an alternative tool to provide similar calculation capabilities for Approved Vendors.

7.10.5 Batch Contract Approval

The Illinois Commerce Commission meets approximately every two weeks. The Program Administrator will strive to efficiently process approved projects and assign them to batches for submittal to the Commission. The ~~Agency understands that Commission practice is that~~Program Administrator submits items for ~~consideration by~~ the Commission ~~must be submitted~~to consider 6 business days prior to each meeting, to allow those items to be placed on ~~its~~the open meeting agenda ~~at least 8 business days prior to each meeting.~~ .

When the Program Administrator submits contract information to the Commission for approval, that submittal will include the Program Administrator's recommendation for approval of the batch, with a summary of factors relevant to Plan compliance. (Projects that are not approved by the Program Administrator are not submitted to the Commission.) This process is similar to that required for approval of contracts under annual electricity procurement plans pursuant to Section 16-111.5(f) of the PUA, or contracts under the Supplemental Photovoltaic Procurement Plan pursuant to Section 1-56(i)(5) of the Act.

Pursuant to the Initial Plan, the Agency worked with Commission Staff to develop a memorandum for ICC Staff that includes the standards that the Commissions should use in considering the approval of contracts and product orders within Illinois Shines and ILSFA.[572] The Commission approved the recommendations contained in the memorandum on December 19, 2018. Upon approval of this Plan by the Commission, the Agency and Commission Staff will continue to review and update that memorandum if necessary.

Once a batch is approved by the Commission, the applicable utility will execute the REC Contract and/or product order, as applicable. The Approved Vendor will then be required to sign the contract or product order within seven business days of receiving it from the utility. Failure to sign the contract or product order may subject the Approved Vendor to discipline under the Program. Additionally, when a contract or product order is not executed by the Approved Vendor within the seven business days after receipt, the projects will be considered removed from the Program, with the option to re-apply later, subject to payment of a new application fee and available open block capacity (and subject to the applicant's Approved Vendor status not having been revoked due to the product order's non-execution). ~~A~~Within 30 business days of Commission approval of the contract, the Approved Vendor must provide collateral ~~requirement to be held by the utility~~ equal to 5% of the total contract value ~~will be required~~to be held by the utility. The collateral may be in the form of either cash or a letter of credit with the utility ~~within 30 business days of Commission approval of the contract~~.

Previous iterations of the Long-Term Plan ~~have~~ allowed for collateral to be withheld from the REC payment for systems that were already energized upon application to the Program or in exchange for a release or reduction in a letter of credit, but this has not been allowed since 2022. However, the Agency observed that this process has had an unintended consequence of encouraging some Approved Vendors to submit projects only after their energization as a way of avoiding any collateral obligation. If the project does not apply until after it is built, enforcing and ensuring consumer protections (and other Program requirements) becomes more challenging. Ultimately, consumers are better served if their project can be reviewed and approved by the Program (and then submitted to the ICC for approval) prior to being built. For this reason, the Agency ~~requires~~will continue to

[572] See: https://www.icc.illinois.gov/downloads/public/edocket/490368.pdf

require upfront collateral in all cases~~, including~~ (except for ~~energized systems under~~ Public Schools in the ~~2021 and 2022 REC Delivery Contracts and any updated REC Delivery Contracts developed in accordance with the requirements of this 2024 Long-Term Plan.~~Tier 1 or Tier 2 subcategories, or located in environmental justice communities, as discussed further in 7.12.2).

Approved Vendors do not have the option to decline to post collateral within 30 business days once they have signed the contract. Failure to post collateral by the 30-business day deadline will violate the REC Contract and may result in an Approved Vendor being suspended from further participation in the Program.

7.10.6 Assignment of Projects

Section 1-75(c)(1)(L)(x) of the IPA Act expressly provides that "[c]ontracts may be assignable, but only to entities first deemed by the Agency to have met program terms and requirements applicable to direct program participation." In addition, "[i]n developing contracts for the delivery of renewable energy credits, the Agency shall be permitted to establish fees applicable to each contract assignment."

Contracts or individual batches (but not individual projects that form a subset of a batch) are assignable. The assignee must agree to, and abide by, the applicable terms and conditions required of an Approved Vendor (or a Single Project Approved Vendor in the case of the assignment of a single project from a contract). Consistent with the Commission's Order in Docket No. 17-0838, the assignor and the assignee will be required to notify the contracting utility of any assignment, and provide the utility with all pertinent financial, settlement and contact information.[573] The assignor may be required to pay a fee to the contracting utility. The Agency and its Program Administrator have generated form documents[574] for use in accommodating the assignment process and will endeavor to cooperate with the assignor, assignee, and utility in updating Program records to accommodate the assignment. More specific project assignment terms and conditions (such as the of assignment fees) have generally been handled through the development of the REC delivery contracts themselves, and the Agency will continue with that approach.

The Agency ~~plans to allow~~allows the assignment of single projects in limited circumstances where this assignment serves a consumer protection purpose. Please refer to Chapter ~~9~~9 of ~~this~~the 2024 Long-Term Plan for more details.

~~For waitlisted projects, projects~~Projects may be selected off a waitlist in any given Group/category combination when either ~~when~~(1) previously selected and approved projects drop out of the Program, thus freeing up Program capacity (with the project selected from the waitlist receiving the most recently available REC price), or (2) when a new block of capacity is opened in the following Program Year (and receive that block's REC price). While projects on a waitlist are not yet under contract,[575] an Approved Vendor may assign that project to another Approved Vendor, or the project itself may be sold, without penalty or impacting the project's position on the waitlist. An Approved

[573] Final Order at 74, ICC Docket No. 17-0838 (Apr. 3, 2018).

[574] ~~See: https://illinoisshines.com/wp-content/uploads/2022/11/ABP-Acknowledgement-of-Assignment-Combined-2019-2021-and-2022-Final.pdf;~~ See: https://illinoisshines.com/wp-content/uploads/2022/11/ABP-Acknowledgement-of-Assignment-Combined-2019-2021-and-2022-Final.pdf; https://illinoisshines.com/wp-content/uploads/2022/11/ABP-Acknowledgement-of-Assignment-and-Consent-Combined-2019-2021-and-2022-Final.pdf

[575] The allowances in this sentence also apply to a non-waitlisted Part I applicant project that has not yet been selected by the Program Administrator for a REC Contract.

Vendor must promptly notify the Program Administrator[576] of that transfer and provide appropriate documentation.

Projects that ~~are developed by Approved Vendors certified as Equity Eligible Contractors and~~ receive a REC Contract through the EEC block of capacity (or through the DG category and request an advance of capital as described in Section ~~7.4.6.3)~~7.4.6.3) may not assign those contracts to ~~an~~ a non-EEC certified Approved Vendor ~~that is not also a certified Equity Eligible Contractor~~ for six years after the Part II verification date of the project. After six years from the Part II verification date has passed, this moratorium on assigning EEC contracts to Approved Vendors that are not certified as an EEC is lifted.

7.11 Project Development Timeline and Extensions

7.11.1 Development Time Allowed

Once a contract for a batch has been executed by the Approved Vendor and the utility, the next step is for those projects not yet developed to be developed and energized. The following timelines are based upon the REC ~~delivery contract~~Contract execution date, such that any delays in processing and approving an application will not reduce the time available for development~~.~~:

- Distributed generation projects will be given 18 months to be developed and ~~energized.~~Energized (Part II verified).
- Community solar projects will be given 24 months to be developed, ~~energized, and~~to become Energized (Part II verified), and to demonstrate that they have sufficient subscribers.

A project that is not completed in the time allowed (plus any extensions granted) will be removed from the ~~contract~~REC Contract, and the REC volume associated with the project will be eliminated from the contract. The Approved Vendor will also forfeit the posted collateral associated with the project. Any forfeiture of collateral by the Approved Vendor under the REC Contract will be considered to be returned to the utility's available Renewable Resources Budget and will become available for REC ~~delivery contracts~~Contracts for other projects.~~-~~

A project that is not completed in time and is removed from the contract may be subsequently re-submitted by an Approved Vendor but will be treated like any other new system being submitted and will require a new application fee.~~–~~

In some instances, the developer of an Illinois Shines project may ~~learn~~determine that the planned development of ~~the~~a project is no longer feasible—whether due to financing ~~falling through,~~issues, decisions made by the system host ~~no longer wanting to move forward with the project~~, or myriad other circumstances. ~~Under the~~The language of the 2019 REC delivery contract~~, such a system could~~ did not ~~be removed~~provide a mechanism for removal from the contract until ~~contract~~certain requirements related to ~~a Seller meeting the system's~~Seller's energization deadline ~~were not timely met, a contract violation~~occurred, which ~~may not occur until over one~~ could be more than a year ~~from~~

[576] ~~For this Chapter, all references to the Program Administrator refer to the Program Administrator for Illinois Shines. Discussion of the Program Administrator for the Illinois Solar for All program can be found in Chapter 8.~~

~~the point at time in which the Seller learns~~following the Seller's determination that ~~development~~a project is ~~no longer~~not feasible.

Thus, in the 2020 First Revised Plan, the Agency sought Commission permission to allow ~~the Seller to provide~~a Seller to provide a mechanism for removal in those circumstances, allowing the contractual parties to be released from obligations when performance is no longer intended and providing clarity to the Agency and Program Administrator regarding available returned Program capacity. Through that mechanism, the Seller provides notification to the Buyer, the Agency, and the Commission that it is exercising its option ~~allowing~~ for a system's removal from the contract because the Approved Vendor no longer ~~wished~~wishes to develop that system. Under these circumstances, the Seller would forfeit the posted Performance Assurance applicable to the system. ~~Doing so allows the contract parties (the utility Buyer and Approved Vendor Seller) to no longer maintain a contractual obligation when performance is no longer intended, while also providing clarity to the Agency and its Program Administrator about the availability of new Program capacity through removal of a project from a REC Contract. This proposal was approved by the Commission in Docket No.~~This proposal was approved by the Commission in Docket No. 19-0995, and the Agency has since developed specific forms and procedures to effectuate this option for Sellers.[577]

7.11.2 Extensions

Extensions to the energization deadline will be granted for the following circumstances.

- An indefinite extension will be granted if a system is electrically complete (ready to start generation), but the utility has not approved the interconnection. The Approved Vendor must document that the interconnection approval request was made to the utility within 30 days of the system being electrically complete, yet not processed and approved.
- A 6-month extension will be granted for documented legal delays, including permitting delays.
- A 6-month extension will be granted upon payment of a refundable $25/kW extension fee, for distributed generation systems, and up to two 6-month extensions for community solar projects (the second extension is only for achieving the required subscriber rate, not for project completion and energization, and will require an additional refundable $25/kW fee). The extension fee(s) is payable to the contracting utility and would be refunded as part of the first (or only for systems up to 10 kW) REC payment.
- The Agency may also, but is not required to, approve extensions for demonstration of good cause.[578]

7.11.3 Project Completion and Energization

The Approved Vendor will provide the Program Administrator with a status update on each project under development but not yet energized at least every six months and will inform the Agency of any

[577] Final Order at 80, ICC Docket No. 19-0995 (Feb. 18, 2020).

[578] Good cause extensions have been the primary means of allowing for extensions in energization deadlines due to COVID-19 related delays, as described extensively in Chapter 3. As of July 1, 2024, the Agency no longer accepts good cause extension requests citing the COVID-19 pandemic as the reason for the request. See https://illinoisshines.com/limitations-on-reasons-cited-in-good-cause-extension-requests/.

significant changes to the system.[579] For community solar projects, the update will include ~~an update on~~ the status of acquiring subscribers. The Agency and Program Administrator have developed a standardized form (including standard status categories to simplify reporting) for this purpose.

Once a project is energized, the following information is required from the Approved Vendor for the Program Administrator to approve the final project as Energized (Part II verified) for purposes of the REC delivery contract and authorize commencement of payment for RECs:

- Final system size;
- Final system specific capacity factor and REC production estimate;
- GATS or CleanCounts (formerly M-RETS) unit ID;[580]
- Certificate of Completion of Interconnection or comparable documentation[581,][582]
- Photographic documentation of the installation
- Disclosure of any changes to the system's technical specifications that occurred between the initial application and the completion of the project
- Identity of the installer (must be a Qualified Person under Part 468 of the ICC's Rules)
- Documentation of compliance with prevailing wage requirements, if applicable
- Demographic information related to the workforce constructing and installing the system
- ~~Cost information on the system installation, broken down into cost categories including: Generation Equipment, Balance of Plant, Interconnection, Development Costs & Fees, and Reserves & Financing Costs.[583]~~

Additional requirements may be published (such as through the Program Guidebook) by the Program Administrator if the Agency determines that such requirements are warranted, and the Program Administrator may reference other sources (such as public databases) to determine the accuracy of any submissions.

If the final system size is larger than the proposed system size such that it would cause the system to change categories (from the up to and including 25 kW category to the over-25 kW ~~category,~~), the payment terms will be adjusted from the full payment on energization to 15% on energization and the balance over the next six years. The price per REC will also be changed to the applicable REC price for the over 25 kW category in effect at the time when the system is energized.

[579] For systems under 25 kW, that status update is only be required for a system where there is a change in status (e.g., a project being completed, or canceled).

[580] GATS or CleanCounts (formerly M-RETS) registration must be complete and unit ID verifiable through GATS or ~~M-RETS~~CleanCounts public reports.

[581] ~~Comparable documentation would only apply for a rural electric cooperative or municipal utility that does not provide a Certificate of Completion of Interconnection.~~

[582] Comparable documentation would only apply for a rural electric cooperative or municipal utility that does not provide a Certificate of Completion of Interconnection. Per Section 1-75(c)(1)(K) of the IPA Act, the date of final interconnection approval must be no earlier than June 1, 2017.

[583] ~~Final cost categories and reporting template will be determined through the workshop process proposed in Section 7.5.2.~~

For systems over 25 kW, the final REC price will be based on the final system size if that final system size would cause the REC price to remain the same or to decrease. A system that is developed at a size smaller than the original application will not be eligible for a higher REC price.

The quantity of RECs used for payment calculations is based on the lesser of the RECs calculated based on the proposed (Part I) system size and capacity factor, and the RECs calculated based on the final (Part II) system size and capacity factor. The final capacity factor can be adjusted down from the initial capacity factor, but can only be increased from the original capacity factor upon satisfactory information submitted by the Approved Vendor that demonstrates modifications to the system design that justify an increase. This could include changes in capacity factor due to switches between tracking technology, non-tracking and tracking systems, and bifacial vs. standard module use. In no case will the change in capacity factor allow for an increase in REC quantity from that approved at the Part I stage. In this way, a system that is built smaller than planned will not benefit from excess REC payments that could result from purposefully submitting the project at a larger size than ~~really~~ intended. On the opposite side, if a project's final system size is significantly larger than the planned system size, an increase in the payment due could present unexpected budget management challenges. An Approved Vendor has the option of canceling and resubmitting a system if the final size is larger than the proposed system to align the REC quantities or if it desires to have the system change from a distributed generation project to a community solar project, or vice versa. However, the applicable REC price upon resubmittal is the price of the block open at that time (and subject to any applicable waitlists), and not at the time of the original submittal. Because the Program Administrator will need to review the system design (due to the change in system size), a new application fee will be required. If a project is resubmitted, the collateral associated with the original system may be applied to the resubmitted system, if approved.

While the Approved Vendor is the entity that receives REC payments, the terms of sharing that REC payment value with customers (completely, partially, or not at all; immediately or over time; directly or indirectly) or obligations associated with a system's performance assurance payment are left to a customer and Approved Vendor (or customer and Designee) to work out between themselves prior to executing an agreement. However, the clear failure to satisfy a contractual obligation to a customer may result in the violation of Program requirements and disciplinary action under the Program.

The Agency reserves the right to request more information on an installation, and/or conduct on-site inspections/audits of projects to verify the quality of the installation and conformance with the project information submitted to the Agency. Projects found not to conform with applicable installation standards and requirements, or projects found not to be consistent with information provided to the Agency will be subject to removal from the Program if the deficiencies cannot be remedied. Likewise, Approved Vendors who repeatedly submit projects featuring application errors or inconsistencies with Program requirements may be subject to suspension or termination of their Approved Vendor status.

The Agency also encourages the hiring of graduates of job training programs (as described in Sections 8.8.1 and 8.9.1) to work on installations of projects supported by Illinois Shines. As part of the project application process, the Program Administrator currently requests Approved Vendors to report on the planned and actual usage of job training program graduates. The Program Administrator subsequently requires reporting on job trainee hiring as part of the annual reports submitted by each Approved Vendor. As more trainees become available, the Program Administrator will provide additional information to Approved Vendors to support this goal. The Agency plans to utilize the data

reported by Approved Vendors on graduates of job training programs to improve the transparency of those participants comprising the clean energy economy. The Agency will explore ways to report the participation of job training program graduates in Illinois Shines.

If an Energized (Part II verified) system is offline for more than six months, it is the Approved Vendor's responsibility to notify the Program Administrator. The Approved Vendor is responsible for keeping the Program Administrator up-to-date on system performance and the timeline for when the system will come back online per requirements outlined in the associated REC Contract.

7.11.4 Additional Requirements for Community Solar Projects

A community solar project must demonstrate that it has met a minimum subscription level to be considered Energized (Part II verified) and eligible to receive payment for RECs. Under Section 1-75(c)(1)(K) of the IPA Act, 50% of the subscriptions must be from small subscribers, and at least 50% of the capacity of the project must be subscribed at the time of Energization (Part II verified) in order to receive payment for RECs, and that payment will be based upon calculating the number of RECs that correspond with the amount of the project's capacity that has been initially subscribed. The Approved Vendor shall report subscription levels on a quarterly basis during the first year. The calculation of the number of RECs for payment will be updated after one year of operation (based on the final quarterly report of that first year) to allow for the acquisition of additional subscribers. A community solar project may request one additional extension (with a refundable extension payment as provided for in Section ~~7.11.2~~7.11.2) to its ~~energized~~energization date if it needs additional time to acquire subscribers.

To the extent that an Approved Vendor demonstrates additional subscriptions or updated subscription mixes that would entitle the Approved Vendor to a greater payment, the contract will require that subsequent payments reflect the increased value for quarters where the additional subscriptions or updated subscription mix entitle the Approved Vendor to additional revenue. If subscriber levels (or mixes) change in such a manner that contract value is reduced, the additional payments would also be adjusted downwards accordingly.[584]

The calculation of the maximum number of RECs due payment is determined by the project's subscription level after one year of operation (and will be subject to the maintenance of subscription levels as described in Section ~~7.15).~~7.15). For determining the contract payment amount based on a project's subscription level, Section 1-75(c)(1)(L) of the IPA Act provides that,

> *Notwithstanding the preceding, for those projects participating under item (iii) of subparagraph (K), the contract price for a delivery year shall be based on subscription levels as measured on the higher of the first business day of the delivery year or the first business day 6 months after the first business day of the delivery year. Subscription of 90% of nameplate capacity or greater shall be deemed to be fully subscribed for the purposes of this item (iv).*

Subscription of 90% of a project's nameplate capacity[585] or greater being deemed fully subscribed applies to each quarterly report in which an Approved Vendor must verify a project's subscription levels. Thus, a project at 85% subscribed under this approach would have a contract price associated

[584] Final Order, ICC Docket No. 17-0838 (Apr. 3, 2018).

[585] The aggregate inverter nameplate capacity in kilowatts AC.

with an 85% subscribed project, while a project 92% subscribed would be considered "fully subscribed." Ongoing requirements for overall subscription levels and small subscriber participation are discussed further in Section ~~7.9.6.1.~~7.9.6.1.

7.12 REC Delivery

Once a system is Energized, (Part II verified) it is required to begin REC delivery. For systems larger than 5 kW, the first REC must be delivered within 90 days of when the system is Energized (Part II verified) and registered in GATS or CleanCounts (formerly M-RETS~~.~~). For systems ~~smaller~~equal to or less than 5 kW, 180 days will be allowed. The 15 or 20-year delivery term will begin in the month following the first REC delivery and will last 180 months or 240 months respectively, depending on project category.~~—~~

Approved Vendors will be required to set up an irrevocable Standing Order for the transfer of RECs from the system to the utility.[586] As the Agency understands that automatic transfers can only be terminated with the consent of both parties, this will reduce the risk to the utility that the RECs could be sold to another party after the utility has paid for them.~~-~~

As part of the Annual Report discussed in Section ~~7.15,~~7.15 the Approved Vendor will report on any systems that have not delivered a first REC, and report on any systems that have not delivered RECs for more than a year from their previous delivery. The report will also detail what corrective actions will be taken to ensure future deliveries. In the event of failure to remedy non-delivery of RECs, the utility may draw on the collateral it holds from the Approved Vendor. More information on the mechanics surrounding collateral drawdowns for non-delivery of RECs is outlined in the REC Contract.

7.12.1 Ongoing Performance Requirements~~-~~

~~A significant challenge for Illinois Shines is that the~~ The payment for RECs is front loaded for all categories other than Traditional Community Solar and Public Schools (~~which pay for RECs on delivery over 20 years); systems~~and community solar projects applying through the EEC category), creating a significant challenge for Illinois Shines. Systems up to 25 kW feature full contract prepayment upon energization, and all payments for systems over 25 kW will be made within the first six years of energization. ~~Yet those~~ Despite these prescribed payment timelines, the contracts have a 15-year REC delivery obligation. This creates a situation in which, absent any additional measures, after those payments have been made, the Buyer (the contracting utility) will be unable to use the typical contractual tool of withholding payments ~~for the item not yet received~~ to ensure REC delivery. Fortunately, the Act anticipated this issue and requires that "[e]ach contract shall include provisions to ensure the delivery of the estimated quantity of renewable energy credits and ongoing collateral requirements and other provisions deemed appropriate by the Agency."[587]

To ensure REC delivery over the full term of the contracts, the Program utilizes the following approach~~.~~: REC delivery obligations ~~will be~~are managed at a portfolio level. As projects are completed and become energized, each Approved Vendor ~~will~~ therefore ~~have~~has a portfolio of systems with REC delivery obligations from the various contracts that it has with each utility. The obligation to ensure

[586] See Section 10.2 of the GATS Operating Rules available at ~~https://www.pjm-eis.com/~/media/pjm-eis/documents/gats-operating-rules.ashx~~ https://www.pjm-eis.com/~/media/pjm-eis/documents/gats-operating-rules.ashx

[587] 20 ILCS 3855/1-75(c)(1)(L)(v).

REC delivery is at the contract level rather than the individual project level. In this way, the natural variation that some systems will produce more RECs than forecast and others fewer RECs reduces the risk of contract default, as compared to project-level contracts, and allows for ease in contract administration.

7.12.2 Collateral Requirements

An Approved Vendor is required to post collateral equivalent to 5% of the total contract value within 30 business days of when each batch's contract (or product order) is approved. As described in Section ~~7.10.5~~7.10.5, if the collateral was provided in the form of a Letter of Credit, then the Approved Vendor may choose for the utility to withhold the collateral amount for each system from the last REC payment for the system (or only REC payment for small systems) in exchange for not needing to maintain the collateral in the form of the Letter of Credit. In this situation, the collateral would be reduced as described below, and fully returned at the end of the contract (net any amounts that were drawn to meet contractual obligations). As systems are energized, this collateral amount (or deferred payment) will be maintained through the life of the contract. This requirement will be maintained at the portfolio level, not the individual contract or system level. The collateral amount is based upon the contract value at the time of ICC approval of the product order and is not adjusted if the final system size and/or capacity factor (and thus resulting quantity of RECs for payment) is lower than the initial approved amount.

By maintaining collateral requirements at the portfolio level, Approved Vendors can better manage the risk that some systems may underperform (or have other problems) while others may overperform. This allows the collateral level to be lower than it would be if maintained at the system level.

The Agency has observed low uptake by distributed generation projects in the Public Schools category of the Program since the enactment of the Climate and Equitable Jobs Act. The Agency is required to "set the renewable energy credit price and establish payment terms for the renewable energy credits procured pursuant to this subparagraph (iv) that make it feasible and affordable for public schools to install photovoltaic distributed renewable energy devices on their premises, including, but not limited to, those public schools subject to the prioritization provisions of this subparagraph."[588]. In ~~order to further reduce barriers to Program participation for schools in need~~the 2024 Long-Term Plan, the Agency ~~will~~decided to modify the terms of the REC Contracts for Tier 1/Tier 2/EJC public schools by removing the collateral posting requirement for distributed generation projects that are participating in the Tier 1/Tier 2/EJC subcategory of the Public Schools category. The Agency ~~hopes~~hoped that removal of this barrier ~~will~~would increase the ability of Tier 1/Tier 2/EJC public schools to participate in ~~the Program~~ and realize the benefits of participation in the Program. ~~As public~~As the Agency continues to observe low uptake in this category, the Agency has determined this modification remains appropriate for the 2026 Plan. Public schools projects all utilize REC contracts featuring the pay-as-delivered invoicing mechanism, ~~removing the requirement of postings~~so this exception to collateral requirements for this small subset of projects in the Program poses lower risk back to the Buyer, as there is no upfront REC payment being made by the Buyer to the Seller for yet-to-be-delivered RECs. ~~While the removal of collateral requirements poses some risk to the Program through increased submissions of speculative projects that may not ultimately be developed, the Agency believes this low risk is outweighed by the statutory directive to support the~~

[588] 20 ILCS 3855/1-75(c)(1)(K)(iv).

~~development of behind the meter solar on public schools across the state. As such, the Agency finds this limited removal of the collateral posting requirement to be aligned with statutory goals of developing payment terms for distributed generation projects that ensure the affordable development of distributed generation projects participating in the Public Schools category.~~

The Agency wishes to emphasize that this Plan does not prescribe the source of funds for collateral, whether it be an Approved Vendor's cash on hand, bank borrowings, the project owner's funds, customer-provided funds, a letter of credit, or some other source.~~–~~

Nonetheless, an Approved Vendor will be responsible for delivering RECs each year under its contracts (subject to the reduction options described in the following Section). On an annual basis, failure to deliver RECs for the previous delivery year will result in the utility drawing on the collateral to be compensated for the undelivered RECs from that year for which payment was already received. After any such drawing, the Approved Vendor will need to restore its collateral level to bring it back up to the 5% of remaining value of the portfolio within 90 days. If the amount of collateral held for an Approved Vendor is insufficient to compensate the utility, the Approved Vendor will be required to pay the utility for the balance of the value of the undelivered RECs from that previous year. Failure to make payment and/or maintain the collateral requirement may result in the Approved Vendor's suspension from participating in the Program.

Additionally, the Agency understands and appreciates that the natural degradation of photovoltaic system's productive capacity will likely result in reduced delivery quantities in the later years of a system's performance under a REC delivery contract. Annual contractual REC delivery volumes will thus be decline by 0.5% each year, which the Agency believes should help ensure that collateral is not unfairly drawn upon due to reduced system performance.[589]

Reconciliation of REC deliveries and collateral requirements will be conducted on an annual basis based on the Annual Reports filed by the Approved Vendors as described in Section ~~7.15.~~7.15.

7.12.2.1 Support for Small and Emerging Businesses

As discussed in Section 7.10.1.1, the Agency is proposing a new definition of small and emerging business and seeking opportunities to provide additional support to those entities. One such measure the Agency is considering in order to provide support to SEB Approved Vendors is allowing them to receive a refund of collateral in certain limited circumstances. The Agency proposes to allow a refund of collateral for projects for which an SEB AV submits to the ICC and enters into a contract, in the event that the AV learns that interconnection costs will be too high to proceed with the project. The Agency believes that this collateral flexibility may help reduce barriers that SEBs experience in the Program and that SEB Approved Vendors may not be expecting to pay as they develop experience in the sector. The specific threshold utilized for determining whether interconnection costs are too high will be determined through an update to the Master REC Contract following the finalization of this 2026 Long-Term Plan and thus subject to future stakeholder feedback, but the Agency welcomes any feedback on an appropriate threshold for this refund as response to this draft 2026 Long-Term Plan. This collateral flexibility would only be available for projects in the future, the Agency does not

[589] See Final Order at 129, ICC Docket No. 17-0838 (Apr. 3, 2018).

anticipate undergoing a REC Contract amendment process, which would be required for existing projects under contract to access this collateral flexibility.

While the Agency views this collateral flexibility proposal as helpful for encouraging SEB participation in the Program, the Agency is nevertheless concerned that the potential for refunded collateral could pose a risk of de-incentivizing these AVs from thoroughly assessing interconnection queues and could lead to additional interconnection queue clogging. The Agency welcomes stakeholder feedback on this proposal.

7.12.3 Options to Reduce REC Delivery Obligations

Section 1-75(c)(1)(L) of the IPA Act provides that, for categories other than Traditional Community Solar and Public Schools projects, "[t]he electric utility shall receive and retire all renewable energy credits generated by the project for the first 15 years of operation."[590] The capacity factor as described in Section ~~7.10.4~~7.10.4 will be used to calculate the number of expected RECs each system generates, and thus the overall payment for that system. If a system produces more RECs than expected from that calculation, then no adjustment would be made to payments or to the statutorily mandated REC delivery term. However, if the system produces fewer than the contracted quantity of RECs, then the following conditions apply.

The Agency expects each Approved Vendor to take the steps necessary to ensure that projects contained within its portfolio meet all expected REC deliveries. This may include working with system owners to ensure that ongoing maintenance and repairs of systems occurs as well as to ensure that meter/inverter data is properly transferred to GATS or CleanCounts (formerly M-RETS) for the creation of RECs. Furthermore, Approved Vendors will be responsible for ensuring the ongoing transfer of RECs to the applicable utility. However, because weather and other factors may impact annual production values, REC delivery performance will be evaluated on a three-year rolling-average basis, although any overproduction may be carried forward (or "banked") for performance evaluation and collateral purposes into future contract years without expiration.[591] However, a project or portfolio is not entitled to additional compensation if a carryforward remains as project-specific contracts expire.[592]

There are circumstances where a system may not be able to deliver the RECs it was expected to produce; the Agency believes that reasonable accommodations should be made for these situations that appropriately balance the requirements for the utilities to comply with RPS targets and their expectation to receive RECs for which payment has already been made while acknowledging that unexpected situations may arise at no fault of the Approved Vendor.

In force majeure circumstances (including, but not limited to, physical damage to the system from fires, tornados, etc.) the Approved Vendor may request to have a delivery obligation suspended, reduced, or eliminated without penalty.[593] Approval of the recognition of a force majeure event requires consensus between the Agency and the contracting utility. Curtailments by either the utility

[590] 20 ILCS 3855/1-75(c)(1)(L)(ii).

[591] All RECs must be delivered to the counterparty in the delivery year when produced, regardless of any overproduction under the contract. See Final Order, ICC Docket No. 17-0838 at 129 (Apr. 3, 2018).

[592] See Final Order at 129, ICC Docket No. 17-0838 (Apr. 3, 2018).

[593] Specific circumstances that constitute force majeure have been outlined and memorialized in the REC Contract.

(including those through a smart inverter) or the RTO that result in reduced REC production would allow for reduced REC delivery obligations.

In the case of reductions or eliminations of delivery obligations, the Approved Vendor must demonstrate what measures have been taken that do not adequately cure the situation (such as filing and receiving an insurance claim that is inadequate to restore the system to operation). For the suspension of delivery obligations, the Approved Vendor must demonstrate that reasonable measures are being taken to have a timely restoration of production. Approved suspension of delivery obligations will serve to change the end date for the REC delivery timeline to reflect the time the delivery obligations were suspended.

An Approved Vendor may also determine that a system is not performing at the level expected in the absence of force majeure circumstances. In this circumstance, the Approved Vendor may request to have the delivery obligation related to that system within its portfolio reduced in exchange for the return to the utility of a payment adjustment to account for all undelivered RECs at the original delivery level as of the time of the request.

These provisions will not apply to Traditional Community Solar projects and Public Schools projects as the delivery and payment obligations for those projects under 20-year contracts is based on actual delivery of RECs. Section 1-75(c)(1)(L)(iv) of the IPA Act provides for adjustments to payments based on those deliveries including the ability to carry forward higher than expected REC deliveries,

> *If generation of renewable energy credits during a delivery year exceeds the estimated annual generation amount, the excess renewable energy credits shall be carried forward to future delivery years and shall not expire during the delivery term. If generation of renewable energy credits during a delivery year, including carried forward excess renewable energy credits, if any, is less than the estimated annual generation amount, payments during such delivery year will not exceed the quantity generated plus the quantity carried forward multiplied by the contract price. The electric utility shall receive all renewable energy credits generated by the project during the first 20 years of operation and retire all renewable energy credits paid for under this item (iv) and return at the end of the delivery term all renewable energy credits that were not paid for.*

7.12.4 Relief for Abandoned Contracts

As the Illinois Shines Program ages, the Agency has observed more instances where customers have "abandoned" their contract with an Approved Vendor, which poses risk to ongoing REC delivery. These abandoned contracts may be the result of a property transfer, foreclosure of a property, or a business closure. The Agency has observed this issue most often with residential Small Distributed Generation projects, but does not understand this issue to be isolated within that category. The Agency proposes to define an "Abandoned Contract" in the following way: an Energized (Part II verified) system which is no longer delivering RECs to the utility due to a change in ownership of the real property upon which the system is sited. The Agency welcomes stakeholder feedback on this proposed definition, including (1) whether non-delivery of RECs is considered a threshold criteria of an "abandoned contract;" (2) whether and how to incorporate community solar projects into this definition; (3) whether a minimum time period must pass before a contract is deemed to be abandoned; and (4) whether any other threshold criteria should be included.

This is primarily an issue between an Approved Vendor and its customers, however, there is risk to the Program if these instances of abandoned contracts result in undelivered RECs, or unmanageable burdens on Approved Vendors. The Agency received stakeholder feedback supporting action by the Agency aimed towards managing this issue, though the Agency did not observe consensus in what action stakeholders wanted it to actually take. The Agency will therefore work to provide support to avoid instances of abandoned contracts, and will implement a form of contractual relief.

To avoid instances of abandoned contracts, the Agency will create and share educational materials with realtors, realtor associations, and solar associations in order to support broader awareness of the Program for those who are purchasing a property that is already the site of an Illinois Shines project. To date, the issue of abandoned contracts has been endemic to residential Small Distributed Generation projects, and so educating the professionals involved in the transfer of the real property hosting these types of projects may broadly help in supporting the transition between homeowners for these projects.

Additionally, the Agency will update the master REC Contract to allow for project removal from the REC contract in instances of abandoned contracts. This will not be a retroactive contract amendment, but solely an updated Master REC Contract to be utilized for new project approvals starting with the 2026-27 Program Year. This project removal mechanism will allow the Approved Vendor to obtain a 25% refund of the collateral amount associated with that project to provide relief to the Approved Vendor. The Agency will allow these partial refunds because it understands that not all instances of abandoned contracts will be preventable, and it wishes to ensure that Approved Vendors do not bear all the risk of this problem. The Agency is not allowing for a refund of the entire collateral amount because the Agency recognizes that the Approved Vendor is in the best position to prevent these situations.

7.13 Payment Terms

The Act provides a schedule of payments for RECs for projects. Section 1-75(c)(1)(L) of the IPA Act specifies the following schedule for projects in categories other than Traditional Community Solar and Public Schools: For systems up to 25 kW, "the renewable energy credit delivery contract value shall be paid in full, based on the estimated generation during the first 15 years of operation by the contracting utilities at the time that the facility producing the renewable energy credits is interconnected at the distribution system level of the utility and verified as energized and compliant by the Program Administrator."

For distributed generation systems greater than 25 kW and up to 5,000 kW and community solar projects, "15% of the renewable energy credit delivery contract value, based on the estimated generation during the first 15 years of operation, shall be paid by the contracting utilities at the time that the facility producing the renewable energy credits is interconnected at the distribution system level of the utility and verified as energized and compliant by the Program Administrator. The remaining portion shall be paid ratably over the subsequent 6-year period."

For Traditional Community Solar projects and Public Schools projects~~,~~ (and EEC category community solar projects), the payment terms are not on a set schedule, rather they are for~~,~~:

> *20 years and shall be paid over the delivery term, not to exceed during each delivery year the contract price multiplied by the estimated annual renewable energy credit*

> *generation amount. If generation of renewable energy credits during a delivery year exceeds the estimated annual generation amount, the excess renewable energy credits shall be carried forward to future delivery years and shall not expire during the delivery term. If generation of renewable energy credits during a delivery year, including carried forward excess renewable energy credits, if any, is less than the estimated annual generation amount, payments during such delivery year will not exceed the quantity generated plus the quantity carried forward multiplied by the contract price.*

The Agency has established that the standard for being "energized" as used above must include the completion of the interconnection approval by the local utility and the registration of the system in GATS or CleanCounts (formerly M-RETS) so that generation data can be tracked, and RECs created.[594] ~~In addition, to~~To avoid a system being completed ~~but~~without creating nor delivering RECs ~~not created and delivered,~~, automatic assignment of RECs to the applicable utility must be initiated before a system can be considered "~~energized" so as to initiate~~Energized" (Part II verified) such that the processing of an invoice for REC delivery contract payments~~, automatic assignment of RECs to the applicable utility must be~~ is initiated. The Agency believes that by ensuring proper registration in the tracking system up front, future administrative challenges can be minimized.

For systems over 25 kW and community solar projects (other than Traditional Community Solar~~,~~ and Public Schools), it is not clear from the law how exactly the "subsequent 6-year period" would be calculated, and whether the frequency of payments should be annually, quarterly, or monthly. The Agency proposed in the Initial Plan (which featured a 20% upfront payment and subsequent payments over a 4-year period based upon now changed provisions from Public Act 99-0906) that after the first payment of 20%, the balance of payments be made on a quarterly basis over the following 16 quarters. For example, if the first payment is made on September 30, 2019 (upon interconnection and energization), assuming continued compliance with contractual requirements, the next payments would occur approximately on December 31, 2019, March 31, 2020, etc., with the final payment on approximately September 30, 2023—resulting in 17 total payments that bookend a 4-year period of time. Payment amounts occur on a set schedule and may be adjusted to reflect changes in REC quantities (per Section ~~7.12.3~~7.12.3), or community solar subscription levels (per Section ~~7.11.4~~7.11.4). Based on feedback received to date, the Agency does not believe that a change to the basic quarterly payment schedule is warranted (although the quarters of subsequent payments ~~will increase~~have been increased to 24). However, the refreshed contract structure described in Section ~~7.14~~7.14 that has been implemented now allows for three separate quarterly delivery schedules to reduce the lag time between a project being approved for payment and the first (or only) payment being received.[595]

Section 1-75(c)(1)(L)(vii) also requires that:

[594] This proposed standard is only intended to relate to the contractual payment terms for the Program. Section 1-75(c)(1)(K) specifies that, "[o]nly projects energized on or after June 1, 2017 shall be eligible for the Adjustable Block program." The Agency views this to mean that a project must be interconnected to the applicable utility after June 1, 2017 and that the registration date of the system in GATS or CleanCounts (formerly M-RETS) does not impact that determination. The added contractual standard is meant to ensure that energized systems will produce the RECs that they are receiving upfront payments for.

[595] For example, a project approved for payment in January would be on a quarterly schedule of payments occurring in February, May, August, and November; a project approved for payment in February would be on a quarterly schedule of payments occurring in March, June, September, and December; and a project approved for payment in March would be on a quarterly schedule of payments occurring in April, July, October, and January.

> *If, at any time, approved applications for the Adjustable Block program exceed funds collected by the electric utility or would cause the Agency to exceed the limitation described in subparagraph (E) of this paragraph (1) on the amount of renewable energy resources that may be procured, then the Agency may consider future uncommitted funds to be reserved for these contracts on a first-come, first-served basis.*

The Agency will continue to carefully monitor project application approvals and available budgets. Nevertheless, aside from waitlisted projects replacing defunct projects as already accounted for in budget modeling, the Agency will not recommend Commission approval of contracts for additional projects if it determines that contract obligations cannot be met through expected funds. The Agency will endeavor to publish updates to available budgets and related information on regular intervals, as discussed in Chapter 3 of this Plan.

7.14 Contracts

The Agency notes that while payments are made according to the terms described in Section ~~7.13~~7.13, Illinois Shines and its REC delivery contracts feature ongoing performance requirements to ensure that RECs are delivered across the 15 or 20-year term of the contracts, especially after payments have been made under 15-year contracts. Section ~~7.12.1~~7.12.1 describes in more detail how those performance requirements have been implemented.

The Agency, in consultation with its Program Administrator and its Procurement Administrator, developed a standard REC delivery contract between the utilities and Approved Vendors, much as its Procurement Administrator had done for the competitive procurement processes. This included the opportunity for interested parties to comment on the contract. The original REC delivery contract, reflecting the consensus of the Agency, the utilities, and Commission Staff, was finalized in January 2019, just prior to the opening of the Program for project applications. Once finalized, that standard 2019 REC delivery contract was not subject to further negotiation for each project or batch accepted into the Program.

For the First Revised Plan, the Agency proposed a substantial refresh of the standard delivery contract based upon lessons learned from the execution and early administration of the initial contracts. Implementation of the refreshed REC Contract was deferred until new blocks were able to open—which occurred in December 2021 after the enactment of Public Act 102-0662. For Program reopening in December 2021, two versions of the contract were released, one for projects under a 15-year REC delivery commitment, and one for projects under a 20-year REC delivery commitment. These two contract structures also incorporated changes necessary to comply with provisions of Public Act 102-0662.[596]

After the ICC approval of the 2022 Long-Term Plan and a stakeholder feedback process to develop revised contracts with input from the utilities, Program participants, ICC Staff, and other stakeholders, the Agency published the 2022 revised versions of the 15-year and 20-year REC delivery contracts on August 31, 2022, prior to the opening of additional capacity under Illinois Shines on September 1, 2022. The revised REC Contracts incorporated updates to conform with the approved 2022 Long-Term Plan and the ICC's Final Order in Docket No. 22-0231.

[596] See: https://illinoisshines.com/program-documents/ for the current revised contracts and stakeholder comments related to their development. This refreshed Illinois Shines REC Contract also served as the basis for the contract that has been implemented for the fourth program year of Illinois Solar for All.

~~Upon the~~ Similarly, following ICC approval of the 2024 Long-Term Plan, the Agency sought stakeholder feedback and then published the 2024 versions of the 15-year and 20-year REC delivery contracts. These versions incorporate updates to comply with the 2024 Long-Term Plan and the ICC's Final Order in Docket 23-0714. These contracts were finalized and published for use prior to the opening of the 2024-2025 Program Year.

Following the finalization of the 2024 Long-Term Plan, a REC Contract Amendment was required to retroactively modify existing REC Contracts to update the Annual Report Submission deadline and due to significant consumer protection initiatives the Agency implemented. These initiatives included a REC adder to provide Approved Vendors with a financial incentive to take on "stranded" projects, and an escrow process to allow incentive funds to pass from the utility through an independent third-party escrow agent before being distributed to the end customer. See Section 9.4 of the 2024 Long-Term Plan for additional information. The REC Contract Amendment modified contracts to update the Annual Report submission deadline, to create an un-batching and re-batching mechanism, and to implement the described consumer protection initiatives.

Following the finalization of this ~~2024~~2026 Long-Term Plan, new REC Contracts will be required. Once any updated contracts are finalized and thus required to be used, Approved Vendors may withdraw projects that had been submitted to the Program before the updated contract's finalization (that are not yet ICC-approved) without penalty.

As the contract structure will be altered as a result of any changes herein that require a contract update, the Agency recommends that projects approved by the Commission after the contract finalization date would use the new contract, regardless of application date. The Program will also provide an "off-ramp" option for any already-applied projects expecting to be subject to the ~~2022~~2024 REC Delivery Contracts.

The Agency received stakeholder feedback raising concerns about the effect of bankruptcy on a REC contract. The Agency requests additional feedback on this issue as it considers whether to make any changes. Specifically, the Agency seeks comments on whether it should update the Master REC Contract moving forward such that the utility Buyer would be required to seek bankruptcy court approval before seeking to terminate the REC contract, or such that the utility Buyer would be required to provide 60-day advance notice to the Seller and collateral assignee before any such motion is filed.

7.15 Annual Report

On an annual basis, each Approved Vendor is required submit an Annual Report of the contracts and systems in its portfolio.[597] The Annual Report serves as the basis for verifying that RECs from projects are being delivered to the applicable utility, and, absent corrective actions taken by the Approved Vendor, will be used to determine what actions should be taken by the utilities to enforce the contractual requirements that RECs are delivered, including, but not limited to, drawing on collateral. Additionally, the Annual Report will be used by the Agency to consider the ongoing eligibility of an Approved Vendor to continue participation in the Program.

The Annual Report will include information on~~:~~, though not limited to:

[597] Approved Vendors may request confidential treatment of the Annual Report. However, aggregated information from Annual Reports may be publicly disclosed by the Agency to the extent that it does not disclose Approved Vendor-specific confidential information.

- RECs delivered by each of the systems in the portfolio
- Status of all systems that have been approved, but not yet Energized~~,~~ (Part II verified), including any extensions requested and granted
- Energized (Part II verified) systems that have not delivered RECs in the year
- Balance of collateral held by each utility
- A summary of requests for REC obligation reductions due to force majeure events
- A summary of requests for REC obligations, suspensions, reductions, or eliminations due to force majeure events
- Information on consumer complaints received

As noted in Chapter 10 of this Plan, the annual reporting requirements related to data on workforce diversity, job training graduates, and other related data points will be collected via the MES ~~End of~~ Year-End Report, rather than the Annual Report required by the REC Contract in an effort to reduce the occurrences where Approved Vendors and Designees are required to report on similar data points.

For community solar projects, the report will include those requirements listed above for distributed generation projects and additionally:

- Percentage of each system subscribed on a capacity basis
- The number and type of subscribers (e.g., residential, small commercial, large commercial/industrial), including capacity allocated to each type
- Subscriber turn-over rates[598]
- Attestation that any and all required Community Solar Disclosure Forms were signed by the subscribers[599]

The Agency will review the Annual Reports to assess compliance with the requirements of Illinois Shines and, if there are shortfalls of REC deliveries or subscription levels for community solar projects, will coordinate with the applicable utility on what remedies should be taken, including drawing on collateral.[600] For this process and those described in the next two paragraphs, the performance evaluation and collateral draw methodologies have been specified in the master REC delivery contracts.

For community solar projects, subscription levels must be maintained to remain eligible for REC payments. If the annual report shows that subscriber levels on a rolling average basis have fallen

[598] The Commission specifically approved the inclusion of subscriber turnover rates in annual reports, noting that it will allow the IPA the ability to make more informed decisions regarding community solar program requirements. See Final Order at 105-106, ICC Docket No. 22-0231 (Jul. 14, 2022).

[599] Final Order at 92, ICC Docket No. 23-0714 (Feb. 20, 2024).

[600] The Agency will request on a semi-annual basis a report from each utility on RECs delivered by contract.

below the subscribership level that the project contractually committed to, then if REC payments are still due, those payments will be reduced as described earlier in this Chapter; if all payments have been made, then the Agency will work with the applicable utility on what remedies should be taken including drawing on collateral. If a project's subscribership falls below 50% for a given delivery year, no payment would be owed to the project for that delivery year, and a payment reduction or collateral draw would result (although the project could regain 50% subscribership the following year and qualify for payment in relation to that year).

A similar review will be conducted for projects that have received a small subscriber participation adder but do not maintain sufficient levels of small subscriber participation. If small subscriber participation levels are not maintained and there are remaining REC payments due, those payments will be reduced (to either the actual small subscriber adder category that has been maintained, or to remove the adder altogether if the level falls below 25%). If all payments have been made, then the Agency will work with the applicable utility on what remedies should be taken including drawing on collateral.

~~Under the REC Contract, Annual Reports are due to the Program Administrator no later than July 15 annually (or the next business day). An Approved Vendor's failure to meet this deadline is considered an Event of Default under the REC Contract, thus all projects covered by their REC Contracts are in effect no longer able to participate in the Program. The Agency finds this to be unnecessarily strict and not aligned with the spirit of the Program. The reporting period for the Annual Report takes place annually across the first two weeks of July, which contains the Fourth of July holiday. It is often difficult to get ahold of Approved Vendors or their staff during the entire first week of the reporting period due to this holiday, leaving in essence one week for Approved Vendors to turn around a report that if late, ensures that their projects are unable to continue to participate in the Program. Despite great efforts put into ensuring that every Approved Vendor submits its Annual Report in a timely fashion, each year the Program sees several Approved Vendors fail to meet this deadline, putting their customers in jeopardy of losing incentive funding or having to repay any prepaid incentives for RECs that have not yet been delivered.~~

~~As such, this strict deadline proves to be both a consumer protection issue and a Program administration issue. It could be the case that a project that has been participating in the Program and on a REC Contract for 10 years may be removed from its contract, and thus the Program, due to an Approved Vendor submitting an Annual Report just one day beyond the contractually set deadline on the eleventh year of the REC Contract. The Agency does not believe this result to be prudent or fair. The Agency finds that this deadline is overly punitive and its implementation does not benefit Approved Vendors, their customers, development of the solar market in Illinois, nor the utilities that would need to unwind any prepayments already made on behalf of projects on a REC Contract.~~

~~As such, the Agency will develop a contract amendment be drafted in order to provide more flexibility on the Annual Report submittal deadline and the consequences that result from late submittal. This contract amendment will be developed through the normal process for the development of contract documents arising from Program requirements outlined in the Agency's Long-Term Plan.~~

~~In the approval of this 2024 Long-Term Plan, the ICC also agreed with the IPA that the to-be-drafted amendment shall retroactively apply to all previously executed REC Contracts to ensure that all previously contracted projects participating in the Program have a fair shot at remaining in the~~

~~Program despite a possible late Annual Report submission. The Agency will endeavor to engage contracting utilities as soon as practicable to develop this contract amendment.~~

~~The amendment will contain requirements that Approved Vendors must file their Annual Report by August 1 following each delivery year.~~Under the REC Contract, Annual Reports are due to the Program Administrator no later than August 1 annually (or the next business day). Approved Vendors will be given 90 days to cure any deficiencies found by the Agency and/or utilities within a submitted report or submit an Annual Report if none was provided by the August 1 deadline. Failure to submit Annual Reports or cure deficiencies within the 90-day period ~~will~~may be considered an Event of Default and may carry consequences under REC delivery contracts and/or result in disciplinary action under the Program.

Prior to the REC Contract Amendment implemented during the 2024-25 Program Year, previous versions of the master REC delivery contract specified an Annual Report due date of July 15. Prior to the Contract Amendment, the annual Fourth of July Holiday and the proscribed strict treatment of the deadline as an event of default created significant challenges for the Program. The REC Contract Amendment was applied retroactively in accordance with the 2024 Long-Term Plan.

In addition to the Illinois Shines Annual Report, Approved Vendors and Designees will also be required to file ~~an end of year report~~a Year-End Report related to their Minimum Equity Standard Compliance Plan as described in Section 10.1.5.3.

8. Illinois Solar for All

8.1 Overview

The Illinois Solar for All Program ("ILSFA") was created in 2017 through revisions to Section 1-56(b) of the Illinois Power Agency Act ("IPA Act") contained in P.A. 99-0906. ~~-~~The IPA Act instructs the Agency to "include a description of its proposed approach to the design, administration, implementation and evaluation of the Illinois Solar for All Program" in this Plan.[601] ~~The Program~~ILSFA is designed to "~~include~~provide incentives for low-income distributed generation and community solar projects" with the following objectives:

> *"bring photovoltaics to low-income communities in this State in a manner that maximizes the development of new photovoltaic generating facilities, to create a long-term, low-income solar marketplace throughout this State, to integrate, through interaction with stakeholders, with existing energy efficiency initiatives, and to minimize administrative costs."*[602]

~~The enactment of~~ P.A. 102-0662 ~~in September 2021~~ updated several provisions related to ILSFA~~,~~ by increasing available funding to prioritize areas of Illinois previously underserved by the Program, adjusting funding allocations across sub-programs, increasing efforts at development by small and emerging businesses, and encouraging development of projects promoting energy sovereignty.

Additionally, P.A. 102-0662 eliminated the Low-Income Community Solar Pilot ~~Projects~~ sub-program and split the Low-Income Distributed Generation sub-program into separate sub-programs for distributed generation projects serving small residential (single~~-~~ to four-unit residences) and large residential (five units or more) buildings. ~~Currently, the Illinois Solar for All sub-programs authorized under~~ Section 1-56(b)(2) of the IPA Act ~~are:~~now authorizes the following sub-programs:

(A) ~~(A)~~ Low-~~income~~Income Single-Family and Small Multifamily Solar
(B) ~~(B)~~ Low-~~income~~Income Community Solar
(C) ~~(C)~~ Incentives for ~~non-profits~~Non-Profits and ~~public facilities~~Public Facilities

~~(D) Low-income large multifamily solar~~

(D) ~~These updated~~Low-Income Large Multifamily Solar

In Program Year 2022-23, the four sub-programs were rebranded with the following participant-friendly names ~~and were announced when Program Year 2022-2023 opened in August 2022~~:

(A) Illinois Solar for All: Residential Solar (Small)
(B) Illinois Solar for All: Community Solar
(C) Illinois Solar for All: Non-Profit and Public Facilities
(D) Illinois Solar for All: Residential Solar (Large)

Low-income households are those whose "income does not exceed 80% of the area median income, adjusted for family size and revised every year."[603] P.A. 103-1066, enacted in February 2025,

[601] 20 ILCS 3855/1-56(b)(2).

[602] Id.

[603] 20 ILCS 3855/1-56(b)(2).

modified ILSFA's definition of a "low-income household"[604] through updating ILSFA income-eligibility annually rather than every five years, thus creating better alignment with other income-eligible programs.

8.2 Key Design Elements

When initially developing ~~the Program~~ILSFA, the Agency identified two key design elements that needed focused discussion: ~~the Program's~~ILSFA's relationship to Illinois Shines (known as the Adjustable Block Program at the time~~),~~) and ensuring that ~~the Program~~ILSFA created tangible economic benefits for participants.

8.2.1 ~~8.2.1~~ Relationship with Illinois Shines

The financial incentives offered through the Illinois Shines Program may not be sufficient for income-eligible households and communities to overcome the substantial barriers to participating in the growing solar energy market.~~-~~ The Illinois Solar for All Program provides more generous incentives and minimum savings requirements to address this challenge~~.~~

The goals of the Illinois Solar for All Program overlap with the goals of Illinois Shines in that both Programs promote distributed photovoltaic generation and community solar. However, as described in this chapter, the Agency administers the Illinois Solar for All Program separately from Illinois Shines. The two Programs have different program design, funding sources, and incentive structure, and serve different communities.~~-~~

While both programs are predicated on incentives paid to support new solar project development through REC delivery contract payments, Illinois Solar for All contains additional requirements to be an Illinois Solar for All Approved Vendor, additional project application requirements, specific contracts, and requires community involvement, additional consumer protections, and income-eligibility to participate in the Program.~~–~~

Still, many of the fundamental aspects of the Illinois Solar for All Program are similarly structured to Illinois Shines, as detailed in Chapter 7 of this Plan.~~-~~ For example, projects located on a single parcel are considered co-located, which influences determination of system size and eligible renewable energy credit ("REC") prices.[605] ~~–~~To ensure program funds go to entities that have been properly vetted and commit to compliance with program terms, Illinois Solar for All only accepts applications from Approved Vendors, just as in Illinois Shines.[606] In order to qualify to be an Illinois Solar for All Approved Vendor, the developer must register and maintain their status as an Approved Vendor with Illinois Shines.[607] Entities that are not interested in entering REC Contracts as Approved Vendors but are subcontracted to work on Illinois Solar for All projects must register as ~~Approved Vendor~~ Designees.[608] ~~-~~Additional requirements to qualify as an Illinois Solar for All Approved Vendor are found below in Section 8.9.

[604] The Plan uses "low-income" and "income-eligible" interchangeably.

[605] See Section 7.5.

[606] See Section 7.7.

[607] See Section 7.7.1.

[608] See ~~Sections~~Section 7.8 and 7.8.1.

As with Illinois Shines, Illinois Solar for All projects must meet technical and metering system requirements[609] as well as the same basic consumer protection requirements found in Chapter 9, with additional consumer protection requirements for Illinois Solar for All Program participation detailed below in Section 8.11.

The requirements for a project to participate as an Illinois Solar for All solar project generally follow the framework outlined in Sections 7.9, while providing the additional participant savings and consumer protections detailed in this chapter.

As in Section 7.10, there is an application process for submitting projects to the Illinois Solar for All program:

- Projects ~~are~~ submitted in batches (7.10.1);
- Are reviewed by the Program Administrator (7.10.3);
- Have the anticipated quantity of RECs generated by the system over the contract term calculated (7.10.4); and
- If in compliance with program requirements and selected, are submitted to the ICC for final approval (7.10.5).

Following ICC approval, the following steps must occur:

- REC Contracts are executed by the Approved Vendor and the contract Buyer for the RECs produced by the project (7.10.5).
- Project construction is completed (if it wasn't already) and the Approved Vendor must submit confirmation of utility energization and document final project details within a given deadline (7.11.1).
- If an Approved Vendor is unable to meet a project's given deadline, the REC Contract provides options for requesting extensions to the deadline for meeting contract energization requirements (7.11.2).
- Once an Approved Vendor has provided the Program Administrator the required documentation to confirm project completion and energization by the utility, the project can be approved for payment (7.11.3).
- RECs generated by the project are delivered to the contract Buyer through irrevocable Standing Order and reported to the Program Administrator regularly through an Annual Reporting process (7.15).
- A collateral payment is required from the Approved Vendor Performance to ensure REC deliveries requirements are met for the duration of the REC Contract (Section 7.12, 7.12.1, and 7.12.2).
- Following approval for payment, the Approved Vendor invoices the Buyer for payment on a schedule determined by the project type as outlined below.

Importantly, projects that receive a contract through Illinois Solar for All are not eligible to also ~~to~~ receive a contract through Illinois Shines (or vice versa).[610] Additionally, Approved Vendors

[609] See ~~Sections~~Section 7.9.1 and 7.9.2.

[610] Section 1-56(b)(3) of the IPA Act requires that for Illinois Solar for All contracts, "[p]ayments for renewable energy credits shall be in exchange for all renewable energy credits generated by the system during the first 15 years of operation." Sections 1-75(c)(1)(L)(ii) and (iii) both contain provisions related to the various components of the Adjustable Block Program that, "[t]he electric utility shall receive and retire all renewable energy credits generated by the project for the first 15 years of operation." These two provisions from Section 1-

participating in Illinois Solar for All must maintain a status of good standing in both ILSFA and Illinois Shines. Maintaining a good standing status includes submitting Annual Reports of REC deliveries and other program metrics for each program (Section 7.15) to the Program Administrators. The details and any differences in how these concepts are implemented within the Illinois Solar for All program are detailed further in the Illinois Solar for All Approved Vendor Manual.

8.2.2 ~~8.2.2~~ Tangible Economic Benefits

Section 1-56(b)(2) of the IPA Act stipulates that the Illinois Solar for All Program shall "ensure tangible economic benefits flow directly to program participants." This is accomplished through the requirements of the Illinois Solar for All REC Contracts. Section 1-56(b)(2) of the IPA Act requires that "[e]ach contract that provides for the installation of solar facilities shall provide that the solar facilities will produce energy and economic benefits, at a level determined by the Agency to be reasonable, for the participating low-income customers."[611] In addition, contracts should "ensure [that] the wholesale market value of the energy is credited to participating low-income customers or organizations and to ensure tangible economic benefits flow directly to program participants, except in the case of low-income multi-family housing when the low-income customer does not directly pay for energy."[612] For the purposes of this chapter, the term "multi-family" applies to residential buildings with two or more units.

A key barrier to income-eligible participation in renewable energy programs is lack of access to funds and financing for the up-front costs of photovoltaic systems. Therefore, to create "tangible economic benefits" at a "reasonable" level, the Agency has determined that eligible residential participants in the Illinois Solar for All Program should not have to pay up-front costs for on-site distributed generation or pay an up-front fee to subscribe to community solar.[613] Further, participation in the Program should result in immediate, reliable reductions in energy costs for those residents or subscribers. Consistent with the Commission's Order in Docket No. 17-0838, for projects that are financed or leased, any ongoing annual payments must be no more than 50% of the energy value received by the customer.[614]

Two exceptions are made to this no up-front costs standard. The first exception is for Residential Solar (Large) projects (multi-family projects of five or more units) where the building owner purchases the system. In this case, the building owner may pay an upfront fee to purchase the system (as opposed to a lease or PPA). The building owner's expected ongoing savings must meet the minimum 50% savings requirement through overall savings applied across the full 15 years of the REC delivery contract. Further, the building owner is prohibited from passing upfront costs to the building residents. The second exception is to allow income-eligible community solar projects that are organized as cooperatives to promote energy sovereignty to charge a nominal fee for subscribers to join the cooperative. ~~The Agency will establish a methodology for setting a cap on up-front fees for~~

56(b)(3) and Section 1-75(c)(1)(L) are mutually exclusive as only one REC can be produced, transferred, and retired for each MWh of generation.

[611] 20 ILCS 3855/1-56(b)(2).

[612] Id.

[613] This requirement does not apply to multi-family buildings with more than five units, or projects in the non-profit/public facilities sub-program.

[614] See Final Order at 151, ICC Docket No. 17-0838 (Apr. 3, 2018). As required by the Commission's Order, this calculation must be "disclosed to the customer and reviewed and approved by the Agency."

~~income-eligible members of these cooperatives after conducting a stakeholder feedback process to solicit public input on potential methodologies in the Fall of 2023.~~[615]

Additionally, the Agency requires that Illinois Solar for All Approved Vendors verify that Designees, developers, installers, landlords, and other intermediaries pass through the resulting value of the REC incentives to the income-eligible residents. However, to avoid an overly complex administrative system, incentive levels are not customized to each income-eligible participant's specific economic circumstances.

As of ~~October 20, 2023, 244~~August 14, 2025, 334 non-profit and public facility projects, comprising of ~~71~~92.6 MW of capacity, have been approved by the Illinois Shines Program, indicating that many such projects are viable at the REC prices offered by that Program. However, the higher REC price offered by the Illinois Solar for All Program can help overcome the financing barriers that certain non-profits and public facilities may face compared to private entities. For public and non-profit facilities that participate in the Illinois Solar for All Program, the Agency will continue to utilize an incentive level that recognizes that these entities may not be able to capture all of the tax benefits that would be available to a comparably sized project participating in Illinois Shines.[616]

In order to account for these additional tax benefits, the Agency's First Revised Plan proposed that Illinois Solar for All Approved Vendors submitting projects for non-profit or public facilities that *can* utilize the federal Investment Tax Credit ("ITC") under 26 U.S.C. § 48 will be required to demonstrate additional value to the project host. With the passage of the Inflation Reduction Act in 2022, non-profits ~~will now~~currently have an option to take advantage of federal tax incentives that they would otherwise not be able to realize as tax-exempt entities.

Due to the direct pay option available through the Inflation Reduction Act ~~("IRA"),~~ REC prices currently offered in the Illinois Solar for All Program ~~now~~ reflect the 30% ~~Investment Tax Credit~~ITC, but do not reflect other tax benefits such as bonus depreciation. ~~However,~~Recent changes in federal law substantially alter the ~~higher REC price offered by~~expected future availability of the ~~Illinois Solar~~ITC for ~~All Program can help overcome the financing barriers~~solar projects, including those projects that ~~certain non-profits~~will be developed through the ILSFA program. As discussed later in this chapter, while there are warranted concerns about the availability of the ITC, the Agency understands that many projects across each of the ILSFA sub-categories are likely able to access the ITC through the 2026-27 Program Year and ~~public facilities may face compared to private entities.~~ as such, REC Pricing Modeling continues to incorporate the ITC when developing REC Prices. Going forward, the Agency will continue to monitor any changes to the IRA's Investment Tax Credit and flow appropriate changes through future REC prices as appropriate.

Existing net metering provisions ensure that "the wholesale market value of energy is credited to participating low-income customers."[617] Therefore, projects are required to participate in the applicable utility's or ARES's net metering program. This may prevent projects in the service territory of a municipal utility or rural electric cooperative that does not offer net metering from participating

[615] ~~This reflects a request for clarification in the previous Long-Term Plan litigation regarding whether the Agency will set a single fee cap or whether the cap will change based on the project. The Commission's Order approved the Agency's proposed solution of clarifying that the IPA will set a methodology, not a single number, for the fee cap and that it will seek stakeholder feedback on that methodology. See Final Order at 110, ICC Docket No. 22-0231 (Jul. 14, 2022).~~

[616] See Appendix E, tab "Program Specific Assumptions."

[617] 20 ILCS 3855/1-56(b)(2).

in the Illinois Solar for All Program. The Agency hopes that such municipal utilities and rural electric cooperatives consider adopting net metering policies to bring the full value of solar to their residents and members.

Further, Approved Vendors may demonstrate that they are ensuring that tangible economic benefits flow directly to income-eligible Program participants by providing documentation that: a project on a large multi-family residential building has no upfront cost to the residential participants, except in cases of system purchases; that incentives are used by the project developer/installer to offset costs to the participant; and that there will not be ongoing costs or fees to the participant that exceed 50% of the value of energy produced. The resulting economic benefits to Program participants will be accrued through the value they receive through net metering or avoided consumption from the energy the system produces. The case of projects located at income-eligible multi-family housing can be more complex and is discussed in more detail in Section 8.5.~~4.3.~~8.

Additionally, in order to facilitate the direct flow of tangible economic benefits to income-eligible residential participants, the Agency and its Illinois Solar for All Program Administrator asked the United States Department of Housing and Urban Development ("HUD") to clarify the treatment of Illinois Solar for All benefits for cost allowance-based income-eligible housing programs. ~~–~~HUD confirmed that for community solar credits, HUD program participants residing in individually metered properties in Illinois will not see a rent increase or utility allowance adjustment.~~–~~ This guidance was announced on the Illinois Solar for All website.[618] ~~The Agency expects that~~In August 2023, HUD ~~will issue additional~~expanded their guidance ~~on solar credits from~~to address benefits residents received through on-site ~~distributed generation.~~solar as well.[619]

Program incentives are calculated to create economic benefits through lowered net energy costs for participants.~~–~~ Except for projects in the Home Repairs Pilot,[620] Program incentives are not calculated to provide assistance for additional costs that may be required to make a specific project viable ~~(e.g., costs associated with roof repairs or wiring upgrades).~~ Additional incentives to pay for these types of costs are generally not available through the Illinois Solar for All Program, but the Agency encourages participants to explore alternative sources of funding as needed. For example, Public Act 102-0662 created a number of new initiatives administered by other State agencies, such as the Department of Commerce and Economic Opportunity ("DCEO") and the Illinois Finance Authority, as described further in Section 8.8.4. The Agency and the Illinois Solar for All Program Administrator also work with Illinois Solar for All Approved Vendors to inform and educate Program participants about utility-administered energy efficiency programs, weatherization assistance programs, lead abatement programs, building repair and upgrade programs, and other forms of support. These programs are included in the Program Resource Guide.[621]

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[618] ~~See:~~ ~~https://www.illinoissfa.com/announcements/2022/08/u-s-department-of-housing-and-urban-developments-determination-on-illinois-solar-for-alls-community-solar-net-metering-credits/.~~ See: https://www.illinoissfa.com/announcements/2022/08/u-s-department-of-housing-and-urban-developments-determination-on-illinois-solar-for-alls-community-solar-net-metering-credits/.

[619] See: https://archives.hud.gov/news/2023/pr23-162.cfm.

[620] As described in Section 8.5.3.3, the Agency is ~~implementing~~proposing to implement a pilot to test how incentives within Illinois Solar for All could be adjusted in certain circumstances to account for the cost of repairs. This pilot will compare the effectiveness of this approach to harnessing separate funding opportunities.

[621] ~~See:https://www.illinoissfa.com/app/uploads/2021/08/ILSFA-Program-Resources-Guide.pdf.~~ See:https://www.illinoissfa.com/app/uploads/2021/08/ILSFA-Program-Resources-Guide.pdf.

8.2.3 ~~8.2.3~~ Small and Emerging Business Development

Section 1-56(b)(2) of the IPA Act requires the Agency to ""make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities, are able to participate in the Illinois Solar for All Program" and to."[622] Additionally, the Agency must report annually on progress ~~annually~~ and barriers to participation of small and emerging businesses in ILSFA.[623] The first report was released on July 29, 2025. The report includes metrics on event participation, details about the one-on-one support provided, and highlights the barriers that small and emerging businesses ("SEB") continue to encounter when of participating in the Illinois solar market, including limited access to capital, administrative and compliance burdens, limited market visibility, capacity constraints, and limited project development pipelines. The report contains testimonials and other qualitative data on SEB activities that helped inform opportunities for continued support for SEBs. This includes a continuation of one-on-one support, collaboration with other state programs and agencies whenever possible, and the adoption of a regional approach when engaging with SEBs in Illinois (north, central, and south Illinois).[624]

While the IPA Act does not define "small and emerging" business, other State and federal programs have provided definitions for "small business." The Illinois Business Enterprise for Minorities, Women, and Persons with Disabilities Act promotes "open access in the awarding of State contracts to disadvantaged small business enterprises victimized by discriminatory practices."[625] ~~Eligible~~Under this Act, eligible small businesses are those that have annual gross sales of less than $150,000,000.[626] The Small Business Set-Aside Program ("SBSP") of the Illinois Department of Central Management Services reserves certain types of state procurement contracts for small businesses. According to CMS:[627]

> "[A business] may be qualified as a small business under SBSP if [it] meet[s] the following criteria:
>
> - An Illinois business
> - Annual gross sales:
> - Construction less than $~~10~~14 million
> - Manufacturing less than ~~$10 million and less than~~ 250 employees~~."~~ [sic]"

The Illinois Procurement Code defines a "small business" as:

[622] 20 ILCS 3855/1-56(b)(2).

[623] Id.

[624] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250729-ilsfa-seb-report-2025.pdf.

[625] 30 ILCS 575/1.

[626] 30 ILCS 575/2(~~a~~A)(10).

[627] Illinois Department of Central Management Services, ~~https://cms.illinois.gov/business/sell2/sbsp/set-aside.html~~ https://cms.illinois.gov/business/sell2/sbsp/set-aside.html, accessed August ~~14, 2023.~~ 9, 2025.

> ~~a~~A business that is independently owned and operated and that is not dominant in its field of operation. … annual sales and receipts of the potential contractor and all of its affiliates shall be included. The maximum number of employees and the maximum dollar volume that a small business may have… [is] subject to the following limitations:
>
> ~~…~~
>
> …
>
> (2) No retail business or business selling services is a small business if its annual sales and receipts exceed $8,000,000.
>
> ~~—~~(3) No manufacturing business is a small business if it employs more than 250 persons.
>
> ~~—~~(4) No construction business is a small business if its annual sales and receipts exceed $14,000,000~~.~~".[628]

The federal definition of a small business varies by industry. For example, the U.S. Small Business Administration ("SBA") considers Electrical Contractors and Other Wiring Installation Contractors (NAICS code 238210) that have annual revenues of less than $19 million[629] as small for federal contracting purposes. ~~To help small and emerging businesses participate in the Illinois Solar for All Program~~In previous iterations of the Plan, the Agency ~~will use~~utilized the federal SBA definition of "small~~,""~~" based on annual revenues within the appropriate NAICS category.

As explained in Section 7.10.1.1. of this Draft Plan, the Agency determined that this definition is too broad and not easily utilized for the entities participating in both of the Agency's programs. The Agency considered defining a "small business" in accordance with the Illinois Small Business Advisory Act as any for profit entity, independently owned and operated, that grosses less than $4 million per year or that has 50 or fewer full-time employees. The Agency is concerned that including employee headcount in the definition of "small" business would be too broad and encompass too many entities. As such the Agency proposes to define a "small" business as any for profit entity, independently owned and operated, that grosses less than $4 million per year.

Definitions of an "emerging" business vary widely by jurisdiction and may include factors such as the novelty of the business or the industry, the duration of operations, revenues or number of employees, or whether the majority owner is in a category of people that has suffered discrimination in the past. The Agency ~~defines~~proposes to continue to define "emerging business" as a business that has been authorized to do business in any U.S. state for less than three years.

~~As discussed below in Section 8.5.3.4, the Residential Solar Pilot increases involvement of small and emerging businesses in the Illinois Solar for All Program. In April 2023, the Pilot issued an Approved~~

[628] 30 ILCS 500/45-45(b).

[629] See Small Business Association, "Table of Small Business Size Standards," ~~https://www.sba.gov/sites/sbagov/files/2023-06/Table%20of%20Size%20Standards_Effective%20March%2017%2C%202023%20%282%29.pdf~~ https://www.sba.gov/sites/default/files/2023-06/Table of Size StandardsEffective March 17%2C 2023 %282%29.pdf, accessed August 9, 2025.

~~Vendor Request for Proposals[630] and May of 2023, the Pilot included selection prioritization for small and emerging businesses and/or subcontractors to serve in three designated areas of the State. Two of the three areas in the Pilot will be served by small and emerging businesses, and the third area will be served by a business defined as small but not emerging.~~

The Agency proposes to allow any entity that meets the above definition of "small business," or the above definition of "emerging business," or both above definitions to qualify as a "small and emerging" business for purposes of administration of ILSFA and Illinois Shines. The Agency welcomes stakeholder feedback in response to this Draft 2026 Long-Term Plan as it seeks to select the proper thresholds for this definition, such that newer and smaller companies receive the support intended through these proposals. In particular, the Agency would appreciate stakeholder feedback on the definition of a "small business." If the Agency were to adopt an employee headcount, is 50 or fewer employees the correct number to adopt? If not, what is a more accurate employee headcount?

ILSFA has been encouraging small and emerging business participation by providing SEBs programming, support, and resources. In 2024, ILSFA published a "Small and Emerging Business's Guide to Participating with Illinois Shines and Illinois Solar for All"[631] in conjunction with Illinois Shines to provide support in navigating barriers to SEBs and encourage participation in the programs. Additionally, ILSFA has hosted educational and networking events, and one-on-one mentoring for SEBs. Between January 2024 and July 2025, there were 509 attendees across 11 virtual and in-person small and emerging business events, webinars, and workshops. Topics included Business Plans and Capability Statements, Access to Capital, and Marketing.

The Illinois Power Agency has created the Small and Emerging Business Hub on the IPA's Energy Equity portal.[632] The Hub pulls together resources and information for SEBs to participate in Illinois Solar for All and Illinois Shines. The Hub includes information on financing, program requirements and connecting with workforce training programs.

The Hub also contains information on Public Act 102-0662 ~~also~~, which created ~~a number of~~ job training and business development programs, as discussed in more detail in Section 8.8.1. ~~-~~ While many of these programs focus on technical skills, the Agency sees a need for business training, especially around efforts to encourage small and emerging businesses, energy sovereignty, and community-driven solar projects. Ownership and management of projects requires skills in finance, permitting, regulations, community engagement, marketing, customer acquisition and management, and other topics. ~~-~~ Two of the DCEO programs, the Clean Energy Contractor Incubator Program and Clean Energy Primes Contractor Accelerator Program, do include business development activities. At the time of publishing this Draft 2026 Long-Term Plan, ~~DCEO has released the~~ both programs have closed their respective Notice of Funding ~~Opportunities[633] for all of these training programs, and the Agency looks forward to continuing to work alongside DCEO to ensure these training programs align~~Opportunity, with ~~IPA programs.~~the Clean Energy Connector Incubator Program currently reviewing applications.[634]

~~[630] https://www.illinoissfa.com/app/uploads/2023/04/Residential-Pilot-AV-RFP_2023.04.07-FINAL.pdf~~

[631] See: https://www.illinoissfa.com/wp-content/uploads/2024/02/ILSFA-Small-Emerging-Business-Guide.pdf.

[632] See: https://energyequity.illinois.gov/small-emerging-business-hub.html and https://energyequity.illinois.gov/.

~~[633] See: https://dceo.illinois.gov/climateandequitablejobs/ceja-program-announcements.html~~

[634] See: https://dceo.illinois.gov/ceja/ceja-program-announcements.html - programs-awarded.

~~8.2.4 Energy Sovereignty~~

8.2.3.1 Small and Emerging Business Collateral Obligations

Section 1-56(b)(2) of the IPA Act instructs the Agency to "make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities, are able to participate in the Illinois Solar for All Program."[635] While the number of small and emerging businesses participating in ILSFA has increased, several Approved Vendors designated as small and emerging businesses have reported barriers to participation. While conducting outreach to Approved Vendors, SEBs expressed that the current collateral requirement of posting the equivalent of 5% of the total contract value within 30 business days of when each batch's contract (or product order) is approved has been a challenge resulting from the complexities in finding the necessary capital to satisfy the 5% collateral requirement.

To facilitate continued increases in small and emerging business participation in ILSFA, the Agency is focused on identifying and addressing potential burdens these entities face. As such, the Agency proposes to deduct the 5% collateral requirement from the REC payment for Approved Vendors who satisfy the definition of a small and emerging business, rather than having it due after contract execution. Previous iterations of the Long-Term Plan have allowed for collateral to be withheld from the REC payment when an energized system was applying to the Program. In prior iterations of the Plan, the Agency determined this collateral withholding approach had the unintended consequence of encouraging some Approved Vendors to submit projects after energization to avoid collateral obligations.[636] However, such a model could be better equipped to work with small and emerging businesses as it may lead to a measurable impact on cashflow, thus leading to more program participation. Additionally, the Agency proposes to implement a cap of five projects to which the Agency will deduct the 5% collateral requirement from the REC payment. Small and emerging Approved Vendors would only be able to have a maximum of five projects deducting their 5% collateral requirement. All other projects would have the 5% collateral requirement due after contract execution.

8.2.3.2 Small and Emerging Business Project Submission Considerations

With the increased participation in the Residential Solar (Small) sub-program, some small and emerging business Approved Vendors with fewer resources and staff expressed that they were not able to submit projects as quickly and efficiently as Approved Vendors with more resources and experience. To ensure small and emerging businesses have sufficient opportunity to participate, the Agency proposes having the option to allow eligible small and emerging businesses to submit projects for a period of time before submissions are opened to all Approved Vendors in a given sub-program in either the initial submission window or subsequent rolling submission opening. The Agency seeks feedback in response to this Draft 2026 Long-Term Plan as it attempts to promote increased opportunity for encouraging equitable access to small and emerging ILSFA Approved Vendors.

[635] 20 ILCS 3855/156(b)(2).

[636] See: 2024 Long-Term Plan at 223.

8.2.4 Energy Sovereignty

Section 1-56(b)(2)(A)(i) of the IPA Act requires the Agency to reserve "a portion" of Illinois Solar for All funding "for projects that promote energy sovereignty through ownership of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, or community-based limited liability companies providing services to low-income households." ~~The IPA Act also permits~~[637] Additionally, the Agency ~~to set~~may establish higher incentive levels for projects within ILSFA that promote energy sovereignty than for those that do not.~~.~~[638]

While the law does not define "energy sovereignty," Section 1-56(b)(2)(A)(i) refers to two aspects of energy sovereignty. First, it envisions "ownership of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, community cooperatives, or community-based limited liability companies providing services to low-income households;" second, it seeks to ensure that "local people have control of the project and reap benefits from the project over and above energy bill savings."

Section 1-56(b)(2) does not define "ownership," but Section 1-75(c)(1)(K)(v) of the IPA Act defines "community ownership" as "an arrangement in which an electric generating facility is, or over time will be, in significant part, owned collectively by members of the community to which an electric generating facility provides benefits; members of that community participate in decisions regarding the governance, operation, maintenance, and upgrades of and to that facility; and members of that community benefit from regular use of that facility." While not directly applicable to ~~programs in Section 1-56(b), this definition can provide guidance for~~ILSFA, it helped the Agency ~~in setting~~set a standard for "ownership" within the Illinois Solar for All Program. This definition points to the ability of "owners" to make decisions regarding the operations and management of the facility and to benefit from using the facility.~~.~~

The second aspect of energy sovereignty contains two factors. First, that local people have control of the project; and second, that they reap benefits from the project over and above energy bill savings.[639] The simplest interpretation of "control" is the ability to determine the use and management of the solar-generating facility, including operations and maintenance, finance and revenues, and other managerial matters. Likewise, benefits "over and above energy bill savings" are likely to primarily flow ~~largely~~ from ownership, such as self-reliance, income, and wealth building. Local communities may also experience other benefits, such as job opportunities and property tax base increases, with or without local ownership. (See Appendix G of the 2024 Long-Term Plan for a full discussion of energy sovereignty~~.~~).

The Agency believes that majority or full ownership by individuals or community institutions listed by Section 1-56(b)(2)(A)(i) of the IPA Act is the most direct way to ensure that local people will have control over and reap the benefits from photovoltaic energy projects. The Agency adopted the following definition of "energy sovereignty" for the Illinois Solar for All Program:[640]

[637] 20 ILCS 3855/1-56(b)(2)(A)(i).

[638] Id.

[639] 20 ILCS 3855/1-56(b)(2)(A)(i).

[640] See Final Order at ~~110~~113, ICC Docket No. 22-0231 (Jul. 14, 2022).

> Eligible low-income household or community organization having or being on a defined path to majority or full ownership of the photovoltaic generating facility or, in the case of a cooperative or community ownership model, a share or membership in the entity that owns the photovoltaic generating facility. For the purpose of this definition, "ownership" means not only legal title to the property but also the right to participate in decisions regarding the governance, maintenance, and use of the facility and to benefit from the use of that facility. For the purpose of this definition, "photovoltaic generating facility" means any equipment that generates electricity from solar energy. If the project includes associated energy storage equipment, the eligible low-income household or community organization is not required to, but may, own such storage equipment to qualify as an "energy sovereignty" project.

Section 8.5.1 of this chapter offers further detail regarding eligibility to be considered an energy sovereignty project and the associated program benefits.

Income-eligible households may encounter a number of barriers to ownership of both distributed generation and community solar projects that offer ownership subscriptions, such as a lack of savings to buy systems outright, a credit score that is not high enough to enable financing, not owning their dwelling in order to host distributed generation onsite, and living in a home that needs electrical or structural upgrades to enable solar installation.

Another impediment to ownership faced by individuals, nonprofits, public agencies, schools, and others is access to federal tax incentives. The Internal Revenue Code ("IRC") offers several tax credits that can only be applied against taxes on passive (investment) income[641] claimed against income tax, and thus unavailable for taxpayers with insufficient taxable income. Having a tax equity partner who can monetize federal tax credits, which can be worth over 40% of the cost of a solar project, is one way to address this barrier.[642] The tax equity partner or third-party owner ("TPO") can sell or "flip" ownership to the other party after 5-7 years, when the main financial incentives have been captured. The Inflation Reduction Act and recent federal reconciliation legislation has significantly changed the nature of federal tax credits, as discussed later in this chapter.

Finally, the Energy Transition Act established the Community Solar Energy Sovereignty Grant Program to be administered by DCEO.[643] The Sovereignty Grant Program shall support "applicants that best demonstrate the ability and intent to create community ownership and other local community benefits, including local community wealth building via community renewable generation projects." ~~The Illinois Solar for All Program will work with DCEO to maximize such benefits.~~As of August 15, 2025, ten projects have received awards under the grant.[644]

[641] 26 U.S.C. §48; Congressional Research Service, "Tax Equity Financing: An Introduction and Policy Considerations," report number R45693, April 17, 2019. ~~https://www.everycrsreport.com/reports/R45693.html~~ https://www.everycrsreport.com/reports/R45693.html.

[642] ~~Keith Martin, Norton Rose Fulbright, "Partnership flips: Structures and issues," February 18, 2021. https://www.projectfinance.law/publications/2021/february/partnership-flips/.~~ Keith Martin, Norton Rose Fulbright, "Partnership flips: Structures and issues," February 18, 2021. https://www.projectfinance.law/publications/2021/february/partnership-flips/.

[643] 20 ILCS 730/5.

[644] See: https://omb.illinois.gov/public/gata/csfa/Program.aspx?csfa=3055.

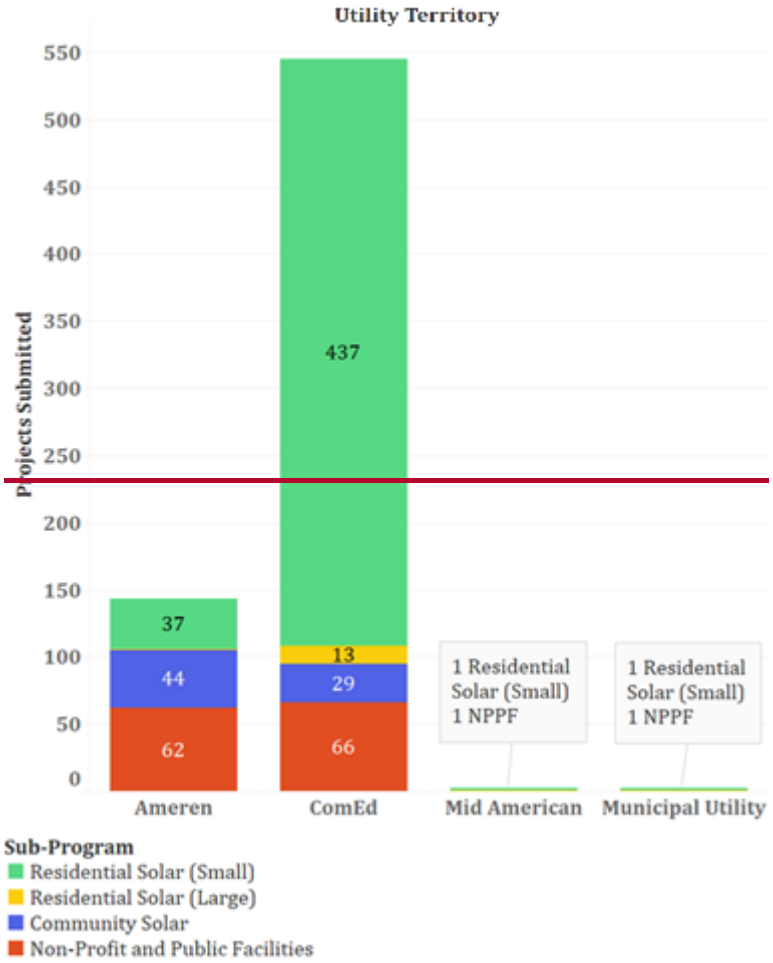
8.3 Program Launch and Experience to Date

The Agency had a large and varied set of tasks to undertake to implement the programs and procurements mandated by Public Act 99-0906 and Public Act 102-0662. The Agency appreciates the strong interest in the Illinois Solar for All Program and the desire to make the Program accessible to income-eligible households and communities so that they can benefit from lower energy costs. As with Illinois Shines, while the Agency's Initial Plan and its First Revised Plan detailed many programmatic considerations for ILSFA, final ILSFA Program design includes contracts, program manuals, and other key documents and requirements. Those items all had to be developed and finalized by the Agency and the Illinois Solar for All Program Administrator(s) prior to Program launch.

In November 2018, the Agency and Program Administrator initiated a series of stakeholder engagement sessions to share draft Program details with the public and invite written feedback. Stakeholder feedback sessions were held on a number of topics, including Environmental Justice Communities, Job Training, Approved Vendor Registration, Grassroots Education, Third Party Program Evaluation, Consumer Protection, and Project and Participant Eligibility. These opportunities to engage the public helped ensure that the process of finalizing Program protocols and requirements was transparent and responsive to input from stakeholders from the solar industry, environmental advocates, and income-eligible advocates.

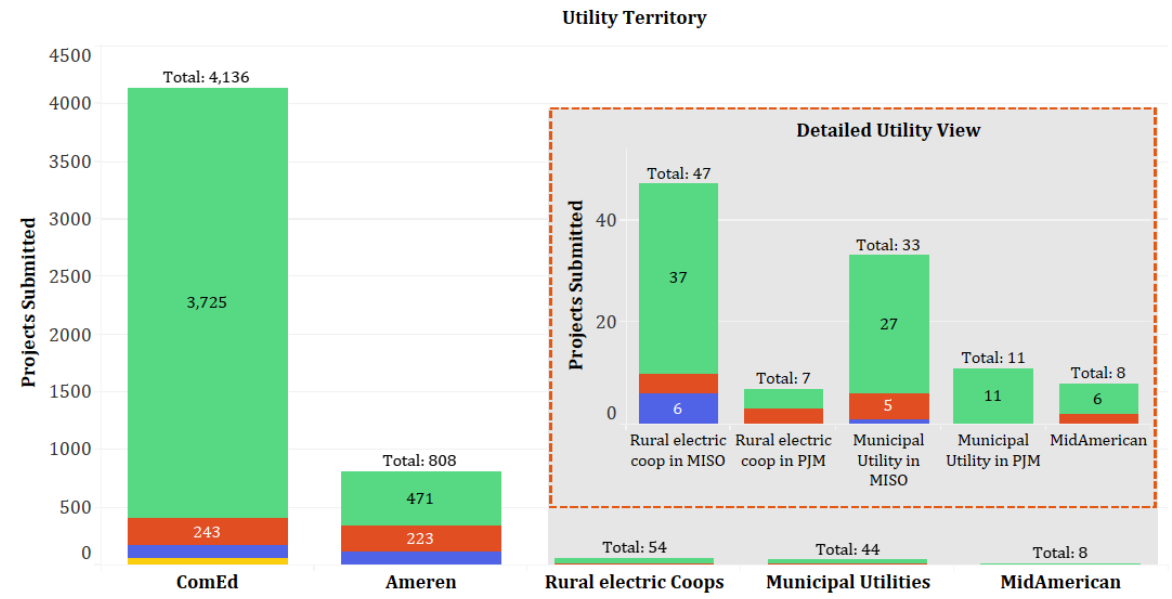
Detailed narratives of previous program years are available in previous versions of the Long-Term Plan. Aggregated project submission information in Figures 8-1, 8-2, 8-3, and 8-~~2~~4 below.

Figure 8-1: ILSFA Projects Submitted by Utility Territory across Program Years 2018-19 – ~~2022-23~~2024-25 [645]



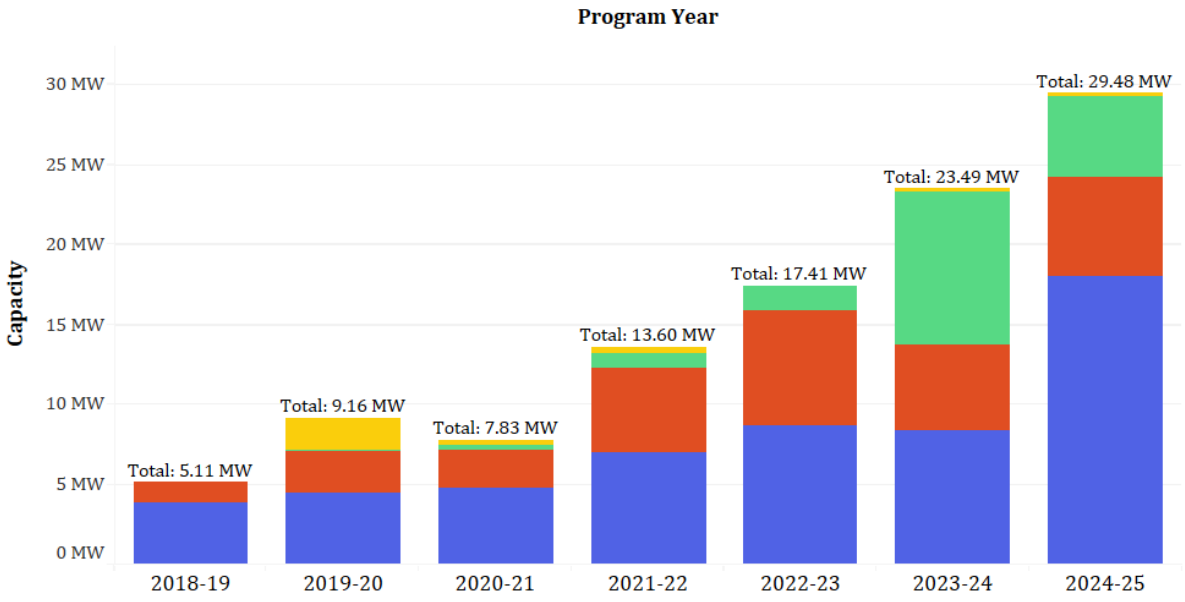
~~Illinois Solar For All applications submitted for program years 2018-2019 through 2022-2023 by utility territories. These project totals include projects from all project stages, including withdrawn and dropped projects.~~

[645] Illinois Solar For All project applications submitted for program years 2018-19 through 2024-25 by utility territory. These project submissions include projects from all stages, including withdrawn and dropped projects.



Source: Illinois Solar for All, Illinois Power Agency (July 2025)
Note. This figure does not include Low-Income Community Solar Pilot projects, which were selected through a competitive procurement process separate from the ILSFA sub-programs and their annual budgets.

Figure 8-2: ILSFA Project Capacity across Program Years 2018-19 through 2024-25

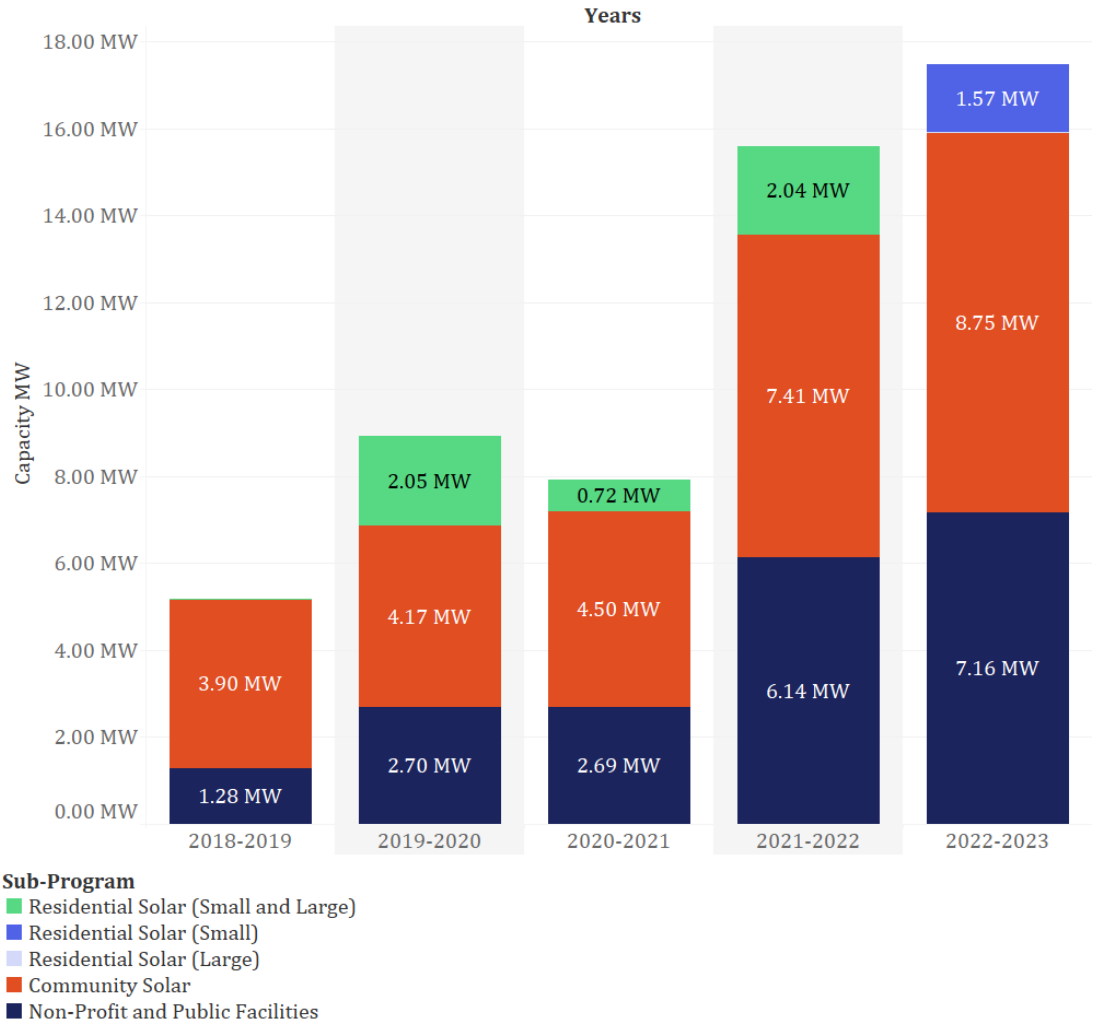


	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
5+ Distributed Generation		2.00 MW	0.39 MW	0.37 MW		0.19 MW	0.20 MW
1-4 Distributed Generation		0.05 MW	0.29 MW	0.96 MW	1.53 MW	9.50 MW	5.02 MW
Nonprofit/Public	1.21 MW	2.60 MW	2.39 MW	5.27 MW	7.13 MW	5.40 MW	6.30 MW
Community Solar	3.90 MW	4.52 MW	4.75 MW	7.00 MW	8.75 MW	8.40 MW	17.97 MW

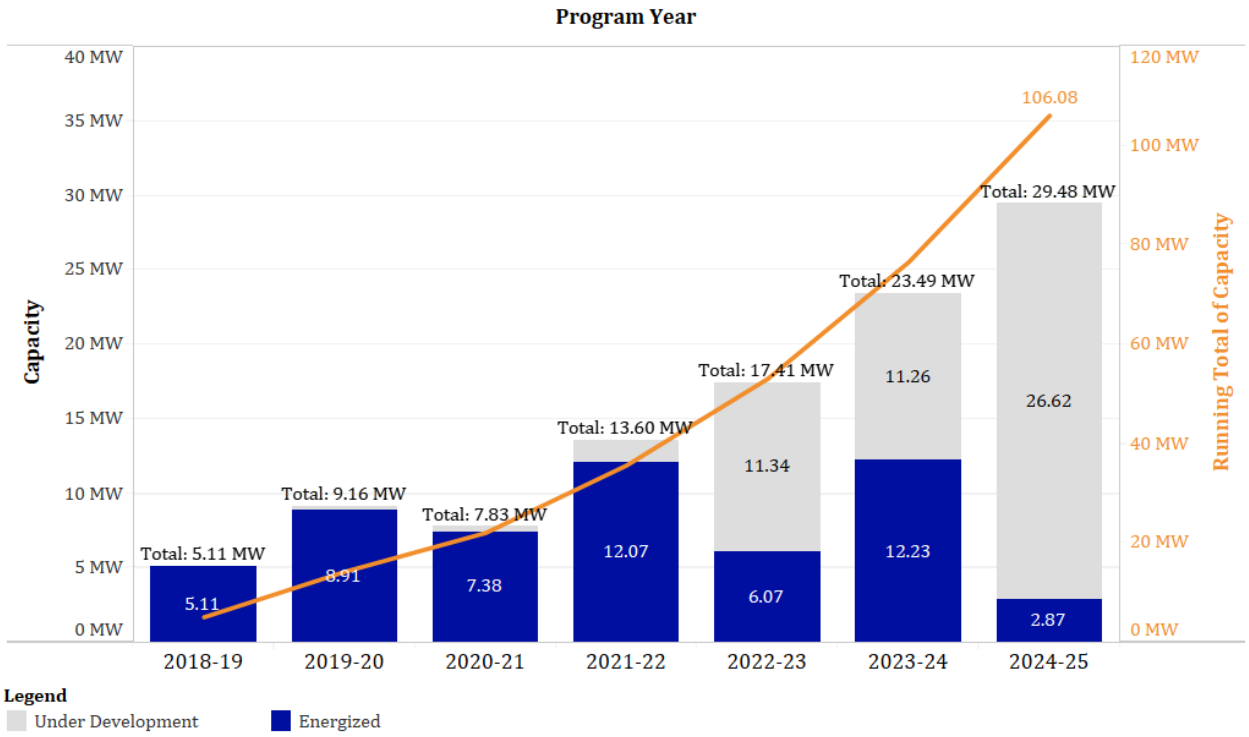
Legend
5+ Distributed Generation
1-4 Distributed Generation
Nonprofit/Public
Community Solar

Source: Illinois Solar for All, Illinois Power Agency (June 2025)
Note. Reflected capacity excludes projects which were withdrawn or dropped from the Program. It includes Part II adjustments, such as resizing, and may differ from the initial capacity estimates reported in Part I.
Note. This figure does not include Low-Income Community Solar Pilot projects, which underwent a competitive procurement process separate from the ILSFA sub-programs and their annual budgets.

Figure 8-3: ILSFA Projects Selected across Program Years 2018-~~2019~~19 through ~~2022-2023 Project Selections~~2024-25

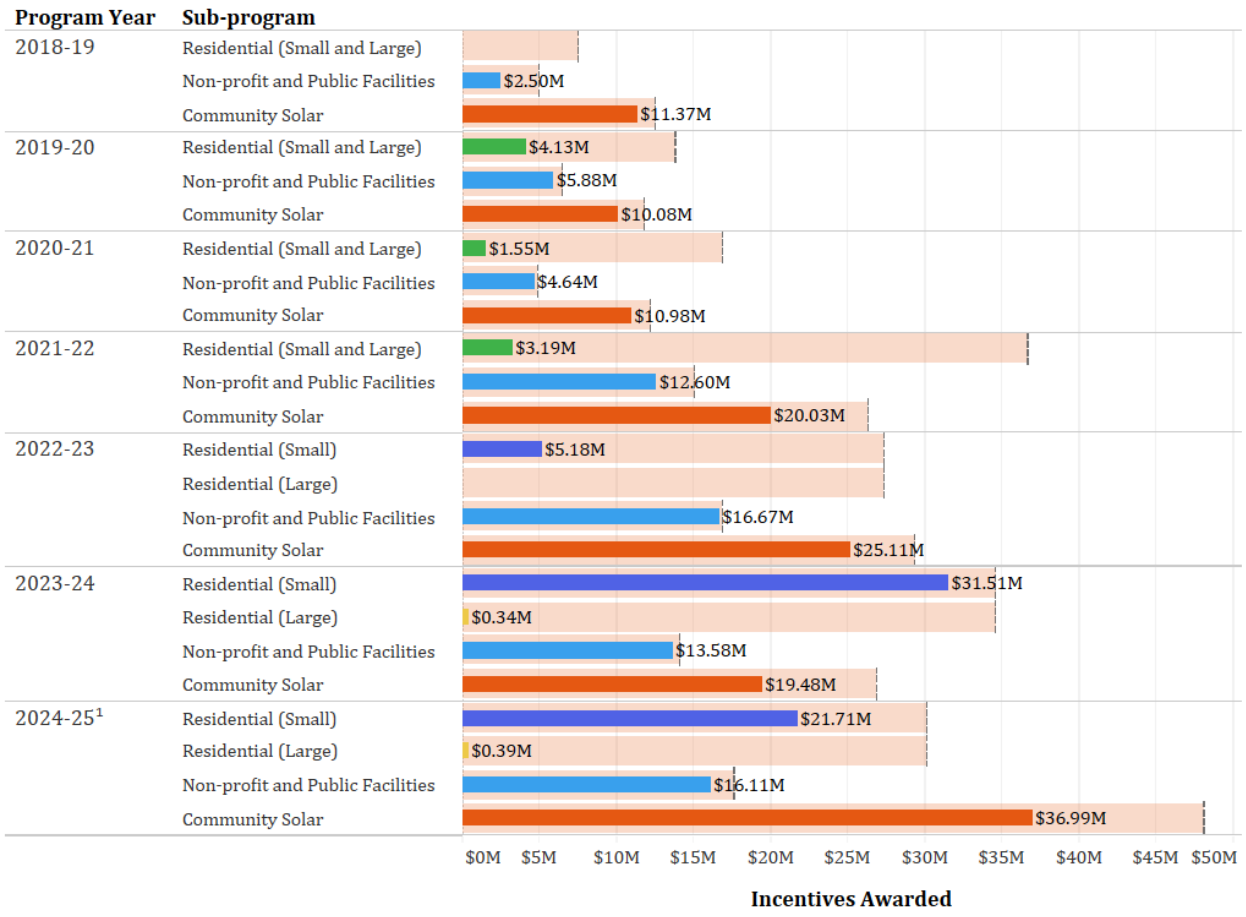


~~Illinois Solar For All applications selected for program years 2018-2019 through 2022-2023. The reflected incentive values do not include withdrawn or projects that dropped from ILSFA.~~



Source: Illinois Solar for All, Illinois Power Agency (July 2025)
Note. Reflected capacity excludes projects which were withdrawn or dropped from the Program. It includes Part II adjustments, such as resizing, and may differ from the initial capacity estimates reported in Part I.
Note. This figure does not include Low-Income Community Solar Pilot projects, which underwent a competitive procurement process separate from the ILSFA sub-programs and their annual budgets.

Figure 8-4: Total Illinois Solar for All Budget Allocated and Awarded



Source: Illinois Solar for All, Illinois Power Agency (July 2025)
Note. Program Year budgets include unspent funds rolled over from the previous program year as well as funds made available from Part II adjustments and dropped projects. Project incentives exclude dropped projects and reflect the value approved at Part II, if applicable, rather than incentive amounts initially awarded upon submission. The project incentives may, therefore, be lower than the total initial participation.
Note. This figure does not include Low-Income Community Solar Pilot projects, which underwent a competitive procurement process separate from the ILSFA sub-programs and their annual budgets.
Note. [1] Program Year 2024-2025 Community Solar sub-program budget includes additional funds from the Greenhouse Gas Reduction Fund.

Project selection processes are required when more capacity in eligible applications is received than a sub-program's annual capacity~~. For~~ during the ~~2022-2023~~initial application window. For the 2024-25 Program Year, ~~no~~ project selection was conducted~~.~~ for the Community Solar sub-program. There were six projects (19.09 MW of capacity) selected for the 2024-25 Program Year and approved by the ICC. The Residential Solar (Small) sub-program had ~~225 projects (1.56 MW of capacity) approved by the ICC. One project (0.01 MW of capacity) withdrew. The Community Solar sub-program had four projects (7.25~~577 projects (5.02 MW of capacity) approved by the ICC ~~on May 4, 2023. An additional Community~~through July 17, 2025. Two projects (0.01 MW of capacity) from the Residential (Small)

sub-program withdrew. The Residential Solar (Large) sub-program had 2 projects (0.20 MW of capacity) approved by the ICC through July 17, 2025. Sixteen of these projects (0.13 MW of capacity) from the Residential Solar ~~project with a capacity of 1.5 MW was~~sub-programs were submitted ~~and approved by~~during the ~~ICC on August 3, 2023~~initial submission window ending July 9, 2024. The Non-Profits and Public Facilities sub-program had ~~29~~42 projects (6.~~83~~42 MW of capacity) submitted and approved by the ICC ~~on February 23, 2023.~~through July 17, 2025. Thirteen of these projects (2.71 MW of capacity) were submitted during the initial submission window ending July 31, 2024. The rolling submission window for that sub-program closed on ~~February 10, 2023 with the submission of four projects (.33 MW of capacity), exhausting the sub-program budget. These projects were approved by the ICC on March 8, 2023.~~ May 30, 2025 with the end of the Program Year.

8.4 Funding and Budget

The Illinois Solar for All Program is funded through two sources: the Renewable Energy Resources Fund ("RERF") pursuant to Section 1-56(b)(2) of the IPA Act; and funds from the renewable energy resources budgets of the utilities pursuant to Section 1-75(c)(1)(O) of the IPA Act. RERF funding details are available in previous versions of the Agency's Long-Term Plan.

8.4.1 Funding

Section 1-56(b)(2) of the IPA Act outlines the funding for the Illinois Solar for All Program through the State-held Renewable Energy Resources Fund and from the utility RPS budgets. As of ~~October 20, 2023~~August 12, 2025, the balance of the Renewable Energy Resources Fund ("RERF") was $~~118,014,522.56. (This balance reflects the repayment of funds that had been lent to the State's General Revenue Fund and Health Insurance Reserve Fund as discussed below), while existing commitments from the Fund for contracts from the Supplemental Photovoltaic Procurements total $301,556.20~~[646] ~~and funds~~95,410,846.08. Funds committed to contracts for the Illinois Solar for All Program (and related collateral held by the IPA) total $~~62.8~~49.6 million. This implies $~~54.9~~45.8 million of RERF funds remain ~~available for~~ uncommitted. Of that, $11 million is funding the IPA has received from the Illinois ~~Solar for All.~~ Climate Bank/Illinois Finance Authority to support additional community solar projects (See Section 8.8.4,). Prior to the 2018-~~2019~~19 Program Year (i.e., at the outset of the Program), before the Agency had paid any administrative costs to its Program Administrator, $150~~.0~~ million of RERF funds were available for Illinois Solar for All; this is the figure the Agency will use in this Section in explaining sub-program allocations from the RERF. A narrative history of the RERF's available funding and funds borrowed and returned to the fund can be found in previous versions of the Long-Term Plan.

The RERF previously received Alternative Compliance Payments each fall from Alternative Retail Electric Suppliers as part of their RPS compliance obligations. Under the revisions to Section 16-115D of the PUA contained in Public Act 99-0906, those payments were no longer made to the Fund as of June 1, 2017; rather, they were ~~now~~ made to the utilities, and were paid to the utilities through Fall 2019. With those payments no longer being made into the RERF, there is no new revenue that will be

~~[646] The commitments consist of REC delivery contracts previously entered into and are being paid, or will be paid, over a five-year REC delivery schedule (invoiced quarterly) depending on when individual systems under contract were completed and began REC deliveries.~~

deposited into the Fund~~.~~, other than funds received by the Agency from Illinois Climate Bank/Illinois Finance Authority, as discussed in Section 8.8.4.

The RERF's previously lower balance was due to the fact that on August 10, 2017, $150 million was transferred from the Renewable Energy Resources Fund to the General Revenue Fund pursuant to the borrowing provisions contained in Section 5h.5 of the State Finance Act. ~~Thirty-seven and a half million dollars was paid back into the RERF in April of 2019, and the remainder of borrowed funds are required by law to be paid back to the Renewable Energy Resources Fund within five years (i.e., by August 10, 2022). As described above, two additional transfers of $10 million were also made in 2020 under this same authority. Repayments into the Fund have been made including $4 million in September 2021, $10 million in December 2021, $10 million in January 2022, and the remaining balance of $108.5 million in March 2022.~~ A narrative history of the transferred RERF funds can be found in previous versions of the Plan.

Section 5h.5(b) of the State Finance Act contains a provision that when the RERF (or for that matter other state funds that had similar transfers),~~–~~

> *ha[s] insufficient cash from which the State Comptroller may make expenditures properly supported by appropriations from the fund, then the State Treasurer and State Comptroller shall transfer from general funds to the fund only such amount as is immediately necessary to satisfy outstanding expenditure obligations on a timely basis.*

Likewise, that Section also provides for,

> *continuing authority for and direction to the State Treasurer and State Comptroller to reimburse the funds of origin from general funds by transferring to the funds of origin, at such times and in such amounts as directed by the Comptroller when necessary to support appropriated expenditures from the funds, an amount equal to that transferred from them plus any interest that would have accrued thereon had the transfer not occurred…*~~–~~

~~While those borrowed funds have been repaid, should~~Should there be future borrowing under these provisions and the RERF balance became insufficient for payments under any new contractual obligations, these provisions would allow the Agency to make expenditures from the RERF prior to the repayment of the transferred amount—i.e., to operate as though the RERF's balance were at its original amount, even if transferred funds have not yet been moved back into the RERF. In addition, the Agency understands that the State Comptroller will coordinate with the Agency to make sure that any appropriated expenditures that the Agency makes through new contractual commitments are honored by ensuring that the balance of the RERF is ~~at all times~~always sufficient to make timely payments on contracts. While the Agency understands that these transfers from the RERF have caused consternation, based on the assurances contained in the law, it does not believe that the transfers necessitate any adjustments to its proposed Illinois Solar for All program design, structure, and budget.

In 2020, the Environmental Law & Policy Center brought a formal complaint against the alternative retail electric supplier CleanChoice Energy alleging violations of marketing requirements ~~(Illinois Commerce Commission Docket 20-0499).~~[647] In early 2023, the parties settled the case. The Final

[647] See ICC Docket No. 20-0499.

Order approves the settlement agreement, included ~~in~~as Attachment A to the Final Order, which provides for the payment of $525,000 to the Illinois Power Agency "for the Illinois Solar for All Program." The money ~~will be~~was provided to the Agency in three equal installments. ~~The first installment~~As of ~~$175~~publishing of this Draft 2026 Long-Term Plan, all installments totaling to $525,000 ~~has already~~have been received~~, and~~ by the ~~final two installments will be paid in 2024 and 2025~~Agency. Because the settlement language only indicates that the money is for ILSFA, the Agency has significant flexibility in how to utilize the additional funds.

Stakeholder feedback for the ~~draft~~Draft 2024 Long-Term Plan noted that Illinois Solar for All still lacks brand recognition and trust among income-eligible communities and households across Illinois, which presents ongoing challenges to Approved Vendors seeking to engage potential ILSFA participants. As detailed in Section 8.8.3.1, ILSFA is one of three state solar programs participating in the ~~US Department of Energy's Low-Income Clean~~National Community Solar Partnership ("NCSP+") Energy Connector[648] to connect eligible households participating in LIHEAP with community solar projects that offer significant savings. Fair compensation of the LIHEAP Local Administering Agencies ("LAAs") for their time and resources connecting customers to ILSFA is a priority for the Department of Energy and the Agency, but there is no additional funding provided by the Department of Energy to support the LIHEAP agencies' work. The IPA will utilize the funding made available from this settlement to support work done by LIHEAP service providers connecting eligible LIHEAP recipients to the ILSFA program and available ILSFA Community Solar projects through the ~~Low-Income Clean~~NCSP+ Energy Connector or other ILSFA referrals made by LIHEAP agencies to the ILSFA Program Administrator. ~~-~~These funds would not compensate outreach done by a LAA specifically coordinating directly with individual Approved Vendors. The Agency is hopeful that engaging the LAAs can contribute to a stronger statewide brand recognition and build trust among income-eligible households and communities and believes that building robust partnerships with the LAAs is not possible without providing resources that support their relevant staffing and expense costs.

During the 2024-25 Program Year, the Agency allocated $50,000 of settlement funds to compensate the LAAs for work completed on Connector related task. With the IPA's oversight, the Program Administrator issued 8 subcontract agreements to LAAs in the amount of $2,725 each. Theses subcontracts were to account for work completed from December 20, 2024 to June 30, 2025. A total of $1,080 was utilized from these funds. For the 2025-26 Program Year, $61,452 across 7 LAAs ($8,775 each) has been allocated to support continued activities on the Connector. Additional funds may be made available to new LAAs participating in the NCSP+ Energy Connector.

In addition, to promote continued brand recognition and participation in the Residential (Small and Large) subprograms, funding will also be made available from the settlement to support LIHEAP and IHWAP service provider activities in connecting eligible households to ILSFA.

8.4.2 Illinois Solar for All program design, structure, and budget

~~In total, for supporting~~To support the Residential Solar (Small and Large), Community Solar, and Non-Profit and Public Facilities sub-programs, the Agency plans to allocate ~~up to $16.5 million per Program Year~~all unallocated funds from the RERF for the 2026-27 Program Year for use for ~~the~~ Illinois Solar for All Program ~~(the Low-Income Community Solar Pilot Projects sub-program was~~

[648] Formally known as the Department of Energy's Low-Income Clean Energy Connector.

~~conducted through a different process that allocated funds to a procurement event conducted in 2019 rather than Program Year).~~[649] project incentives. This allocation is made on an accrual basis, meaning that the amount allocated sets aside that much funding for selected applications during that Program Year, but are likely to be expended in future years in many cases due to the development timeline of photovoltaic projects (RECs are paid for upon energization). Unallocated RERF funds from ~~any~~the 2026-27 Program Year for a given sub-program will roll over and ~~increase the balance~~be available for the ~~subsequent~~2027-28 Program Year for that sub-program, subject to the caveats discussed below.

The funding allocation listed below does not include or account for any potential additional funding that may flow to the RERF from federal grants ~~through the US Environmental Protection Agency's Solar for All program~~, as discussed in Section 8.8.4. In the event that the IPA is able to leverage additional funding through federal grants, it will post and updated budget.

[649] ~~As stated in Section 2.6.1, a program year for IISFA corresponds to an energy delivery year and thus starts June 1 of each year. Therefore, a program year starts one month earlier than the state fiscal year, which begins July 1.~~

~~**Table 8-1: RERF Funding for Illinois Solar for All**~~

Funding Source	Residential Solar (Small and Large)[A]	Community Solar	Non-Profit and Public Facilities	Total
RERF Allocation Percent	**35%**	**40%**	**25%**	**100%**
Previously allocated for 2018-2019 through 2022-2023 Program Years	$23,775,000	$36,600,000[B]	$16,125,000	$76,500,000
Allocated for 2024-2025 Program Year	$5,775,000	$6,600,000	$4,125,000	$16,500,000
Allocated for 2025-2026 Program Year	$5,775,000	$6,600,000	$4,125,000	$16,500,000

Note. RERF funds not allocated within a sub-program for a program year will roll over to the next program year for that same sub-program.
[A] *This includes both the Low-Income Single-Family and Small Multifamily Solar Incentive and the Low-Income Large Multifamily Solar Incentive.*
[B] *This includes funding of the Low-Income Community Solar Pilot Projects whose REC contracts totaled $20 million in the fall of 2019. See 8.5.7. of the 2022 Long-Term Plan for more information.*

Table 8-1: RERF Funding for Illinois Solar for All

Funding Source	Residential Solar (Small and Large)[A]	Community Solar	Non-Profit and Public Facilities	Total
RERF Allocation Percent	**35%**	**40%**	**25%**	**100%**
Previously allocated for 2018-19 through 2024-25 Program Years	$29,550,000	$43,200,000	$20,250,000	$93,000,000
Allocated for 2025 – 26 Program Year	$5,775,000	$6,600,000	$4,125,000	$16,500,000
Allocated for 2026-27 Program Year	TBA[C]	TBA[C]	TBA[C]	TBA[C]

Note. RERF allocations shown in this table do not include funds from the Greenhouse Gas Reduction Fund.
[A] This includes both the Low-Income Single-Family and Small Multifamily Solar Incentive and the Low-Income Large Multifamily Solar Incentive.
[B] This includes funding of the Low-Income Community Solar Pilot Projects whose REC contracts totaled $20 million in the fall of 2019. See 8.5.7. of the 2026 Long-Term Plan for more information.
[C] Allocations for the 2026-27 Program Year will depend on the remaining balance of the State-held RERF.

In previous versions of the Long-Term Plan, anticipated administrative, evaluation, and grassroots education costs for the Program Year were deducted from the RERF sub-program allocations, when establishing the available sub-program incentive budgets for the Program Year. ~~This creates~~This adjustment was made prior to any rolling over of unallocated RERF funds from prior delivery years. This created additional administrative complications for annual budget calculations and rollover amounts to adjust for differences between the initial estimated and final actual costs for a Program Year, and ultimately results in additional unused program funds for the Program Year. ~~With this~~ Beginning with the 2024 ~~Plan~~-25 Program Year, the Agency ~~will deduct~~has deducted the administrative, evaluation, and grassroots education costs from the RERF directly rather being deducted from the sub-program allocations to reduce administrative burden ~~by simplifying~~, simplify the budget setting process, and making additional funds available to support projects. ~~This~~

~~adjustment would be made prior to any rolling over~~ Based on the declining balance of ~~unallocated~~the RERF as funds are committed to projects for the 2026 Plan, beginning in the 2026-27 Program Year, the Agency proposes to shift the funding support for program administration, evaluation, and grassroots education from ~~prior delivery years.~~RERF funding to utility funding. This proposal is consistent with how the Agency is reimbursed by the utilities for the administration of the Illinois Shines program.

~~Allocations~~ Under the Agency's Initial Long-Term Plan, budget allocations from the RERF were initially based on $150 million of the RERF available for Illinois Solar for All at the time of the ~~Initial~~ Plan development, and assumed continuing level support from the RERF for the three non-pilot sub-programs through the 2024-~~2025~~25 program years (which, if fully allocated, would deplete the RERF, leaving only utility-supplied funding available for program years after 2024-~~2025). With nearly $17 million in unallocated RERF funds rolled over from prior years (in addition to over $37 million in unallocated utility RPS funds), the Agency believes that RERF funding will be available through the 2025-2026 program year. Once RERF funds are depleted, the Agency will seek reimbursement from the utilities for program administration related expenses as is currently done for the Illinois Shines Program.~~25). Based on the RERF balance listed above and with expected new contract obligations for the 2025-26 Program Year, excluding the funds in the RERF from the Greenhouse Gas Reduction Fund Solar for All Program, the Agency expects that there would be sufficient RERF funds to continue supporting Illinois Solar for All at the $16.5 million level for the 2026-27 Program Year, but not the 2027-28 Program Year. In light of the fact that the 2027-28 year would not be supported at the same amount, and to allow for continued momentum prior to the anticipated expiration of the ability to monetize the federal investment tax credit in the near future, the Agency thus proposes to calculate remaining unobligated RERF funds at the end of the 2025-26 Program Year to determine the funds available for the 2026-27 Program Year. There would be no further RERF funding allocations for the 2027-28 Program Year or after. The Agency seeks feedback on this approach to allocating the remaining RERF funds in the 2026-27 Program Year.

The funds allocated from the RERF are allocated according to the percentages specified in Section 1-56(b)(2) of the IPA Act, namely 35% combined for the Residential Solar (Small and Large) sub-programs, 40% to the Low-Income Community Solar Project Initiative sub-program, and 25% for the Non-Profit and Public Facilities sub-program.

Section 1-56(b)(2) of the IPA Act also allows the Agency to reallocate funds between programs:

> *The allocation of funds among subparagraphs (A), (B), (C) and (E) of this paragraph (2) may be changed if the Agency, after receiving input through a stakeholder process, determines incentives in subparagraphs (A), (B), (C), or (E) of this paragraph (2) have not been adequately subscribed to fully utilize available Illinois Solar for All Program funds.*[650]

~~With only a single Program Year completed since implementation of the spending allocation percentages in Public Act 102-0662, as well as a number of shifting market factors, including unknown market impacts of the IRA,~~For this Draft Plan, the Agency will maintain the allocation of funds between the sub-programs as updated by Public Act 102-0662.

Prior to the enactment of Public Act 102-0662, Section 1-56(b)(2)(D) set aside 25% of the RERF for Low-Income Community Solar Pilot Projects, which was $37.5 million. As discussed further in Section

[650] 20 ILCS 3855/1-56(b)(2).

8.5.7, the Agency set a budget of $20 million for the first Low-Income Community Solar Pilot Project procurement held in December 2019 and two projects were selected. As Public Act 102-0662 repealed this subsection, no subsequent Community Solar Pilot Project procurements will be held.

After all payments under the Supplemental Photovoltaic Procurement process pursuant to Section 1-56(i) of the IPA Act have been made, as well as all payments under Illinois Solar for All contracts, if the balance of the RERF falls under $5,000, then the RERF will become inoperative and will no longer be available to support Illinois Solar for All. If there is a remaining balance, those remaining funds (which will be less than $5,000) will be transferred to the Supplemental Low-Income Energy Assistance Fund for use in the Low-Income Home Energy Assistance Program, as authorized by the Energy Assistance Act.[651]

8.4.3 Utilities' RPS Budget Funding

Section 1-75(c)(1)(O) of the IPA Act states:

> *The long-term renewable resources procurement plan shall allocate up to $50,000,000 per delivery year to fund the programs, and the plan shall determine the amount of funding to be apportioned to the programs identified in subsection (b) of Section 1-56 of this Act; provided that for the delivery years beginning June 1, 2021, June 1, 2022, and June 1, 2023, the long-term renewable resources procurement plan may average the annual budgets over a 3-year period to account for program ramp-up. For the delivery years beginning June 1, 2021, June 1, 2024, June 1, 2027, and June 1, 2030 and* [sic] *additional $10,000,000 shall be provided to the Department of Commerce and Economic Opportunity to implement the workforce development programs and reporting as outlined in Section 16-108.12 of the Public Utilities Act.*

The Agency interprets the above statutory provision to refer to funds collected by utilities through RPS riders under Section 1-75(c)(6) of the IPA Act and Section 16-108(k) of the PUA. Public Act 102-0662 increased the previous $10,000,000 annual allocation of utility funds to $50,000,000. For the 2021-22, 2022~~, 2022-2023~~-23, and 2023-~~2024~~24 Program Years, the Agency had discretion to determine the allocation to allow for a ramping up at an average of $50,000,000 per year, and will allocate $50,000,000 each year towards Illinois Solar for All. This increased $50,000,000 allocation was applied to the 2021-~~2022~~22 Program Year that was already underway when Public Act 102-0662 was enacted, through a petition by the Agency to the Illinois Commerce Commission to seek adjustment for the previously approved Program Year allocation. The Agency has continued the $50 million annual allocation for the ~~2022-2023~~2025-26 Program Years, and will continue allocating $50 million per year from utility collections for the ~~2023-2024, 2024-2025,~~2026-27 and ~~2025-2026~~2027-28 Program Years. ~~These funds are supplied by each~~Each utility ~~based on~~provides a share of the total funds according to the allocation percentages contained in Section 3.4.1 of this Plan.

Section 1-56(b)(2) of the IPA Act requires that utility funding *initially* be allocated to the sub-programs at the same percentages as the RERF funds (35% combined allocation to the Residential (Small and Large) sub-programs, 40% to the ILSFA Community Solar sub-program, and 25% to the Non-Profit and Public Facilities sub-program. This ~~2024~~Draft 2026 Long-Term Plan ~~will~~proposes to continue this approach to sub-program utility funding allocation~~.~~, with the caveat that as discussed in Section 8.4.2, utility funding will also be utilized for program administration, evaluation, and

[651] 20 ILCS 3855/1-56(b-10).

grassroots education expenses. As this allocation of utility funding to the sub-programs is not required by law after the initial allocation, the Agency may adjust utility funding between those sub-programs on an as-needed basis after the 2022-~~2023~~23 Program Year if there are available funds in one sub-program and higher demand in another sub-program, with the exception that funds for the Residential Solar (Small and Large) sub-programs will not be reallocated.

For each of the sub-programs, approved project applications within a ~~program year~~Program Year will generally be first funded by the utility funds, and then by the RERF funds. The reason for this approach is that utility funds that are not spent within five years of when they are collected may be returned to ratepayers through a reconciliation process,[652] while RERF funds are not subject to the same reconciliation and refund mechanism. Unallocated RERF funds within a sub-program from each Program Year would be rolled over to the following Program Year. The Agency will seek to maximize use of available funding in allocating projects to the RERF or to utility funds, and between counterparty utilities.

Additional funding required to support job training programs provided by the DCEO under Section 16-108.12 of the PUA is incorporated into Chapter 3's RPS budget analysis. As those funds are not directly part of the Illinois Solar for All Program as managed by the Agency, those funds are not included in this budget discussion. (The intersection between the Illinois Solar for All Program and the job training programs is discussed in Section 8.9.1)

8.4.4 Establishing Budgets

As discussed in other sections of this chapter, each sub-~~category~~program contains a number of carveouts for projects with prioritized features. 25% of funds in each sub-program ~~category~~ will be reserved for energy sovereignty projects to promote ownership for eligible customers (as discussed in Section 8.5.1), as well as 25% for projects sited in an environmental justice community (as discussed in Section 8.12.4). Details of how these carveouts are managed can be found in the ILSFA Project Selection Protocol Guidance Document.[653]

[652] See 220 ILCS 5/16-108(k).

[653] ~~See: https://www.illinoissfa.com/app/uploads/2022/09/ProjectSelectionProtocol_20220901.pdf.~~ See: https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Project-Selection-Protocol.pdf.

Table 8-2: Total Illinois Solar for All Budgets[654]

Funding Source	Residential Solar (Small and Large)	Community Solar	Non-Profit and Public Facilities
Percentage Allocation	**35%**	**40%**	**25%**
2024-2025 Program Year			
RERF	$5,775,000	$6,600,000	$4,125,000
Utility	$17,500,000	$20,000,000	$12,500,000
Total	**$23,275,000**	**$26,600,000**	**$16,625,000**
2025-2026 Program Year			
RERF	$5,775,000	$6,600,000	$4,125,000
Utility	$17,500,000	$20,000,000	$12,500,000
Total	**$23,275,000**	**$26,600,000**	**$16,625,000**

Funding Source	Residential Solar (Small and Large)	Community Solar	Non-Profit and Public Facilities
Percentage Allocation	**35%**	**40%**	**25%**
2026-27 Program Year			
RERF	TBA[A]	TBA[A]	TBA[A]
Utility	$17,500,000	$20,000,000	$12,500,000
Total	**$17,500,000 [B]**	**$20,000,000 [B]**	**$12,500,000 [B]**
2027-28 Program Year			
RERF	TBA[A]	TBA[A]	TBA[A]
Utility	$17,500,000	$20,000,000	$12,500,000
Total	**$17,500,000**	**$20,000,000**	**$12,500,000**

Note. RERF allocations shown in this table do not include funds from the Greenhouse Gas Reduction Fund.
[A] Allocations beyond the 2026-27 Program Year will depend on the remaining balance of the State-held RERF.
[B] Totals are subject to change.

8.4.5 Payment ~~Structure~~Structures

The Illinois Solar for All Program is structured so that the Agency "may pay for such renewable energy credits through an upfront payment per installed kilowatt of nameplate capacity paid once the device is interconnected at the distribution system level of the interconnecting utility and verified as energized."[655] Section 7.10.4 of this Plan describes the options for the capacity factor used in Illinois Shines to convert kilowatt size of a project to the number of RECs the system would be expected to generate over 15 years and those same options apply to Illinois Solar for All. For each approved system, the Program Administrator will calculate a 15-year REC delivery quantity. Illinois

[654] As noted above in Section 8.4.2, the RERF sub-program funding amounts for Program Years are gross budgets before deduction of administrative costs. Additionally, there could be unused utility funds and/or RERF funds from the sub-program budgets for 2018-2019 through ~~2023-2024~~ 2025-2026 that are rolled over to ~~2024-2025~~2026-2027.

[655] 20 ILCS 3855/1-56(b)(3).

Solar for All Approved Vendors will have the option of using a PVWatts[656] calculated capacity factor (stated relative to a system's nameplate capacity in AC rating) automatically computed by the application platform, or propose an alternative capacity factor based upon an analysis conducted using an equivalent tool. Alternative capacity factors may be proposed as part of each system's application and will be subject to review and approval by the Program Administrator. Systems using bifacial panels must submit an alternative capacity factor subject to review and approval by the Program Administrator. All capacity factors submitted must be for a system's first year; as stated below, annual REC delivery commitments will incorporate a 0.5% per year degradation factor.

Payments for Illinois Solar for All incentives take the form of upfront payments upon energization of systems and require that the system ~~must also~~ be registered in GATS or CleanCounts (formerly M-RETS) to verify that it will produce RECs. REC delivery contracts are either with the Agency or an electric utility, depending on the funding source,[657] and include the assignment of RECs from each system for 15 years. RECs from these contracts are applied to the annual RPS goals of the utility to which the project is interconnected, but do not count toward each utility's new photovoltaic project targets.[658]

Contracts with the Agency ~~(that utilize funds from the RERF)~~[659] are standard contracts that include required State contract provisions—such as terms, conditions, and attachments—including a clause stating that payment is subject to appropriation. Contracts with the Agency that utilize funds from federal grants will also have to adhere to additional federal requirements. Contracts with the utilities may have similarities, but vary given the different requirements applicable to each utility.[660] Following a similar process to Illinois Shines contract development process outlined in Section 7.14, the Agency publishes standard REC delivery contracts (one for the Agency as counterparty, one for the Agency as counterparty when utilizing federal grants, and one for a utility as counterparty) for Illinois Solar for All and intermittently updates the REC Contracts to incorporate changes required by either updates to this Plan or changes in statutory requirements.

The IPA Act is silent on how to allocate RECs from projects located in the service territories of municipal utilities, rural electric cooperatives, or Mt. Carmel Public Utility. The Agency does not apply RECs from those projects procured through contracts with the Agency using the RERF to the utility RPS goals, while any RECs procured through contracts with a utility are applied to the RPS goals of the contracting utility.[661]

8.5 Illinois Solar for All Sub-Programs

Section 1-56(b)(2) of the IPA Act outlines four sub-programs of the Illinois Solar for All Program:

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[656] In the event PVWatts becomes unavailable, the Agency will identify and use an alternative tool to provide similar calculation capabilities for Approved Vendors.

[657] See 20 ILCS 3855/1-56(b)(2). ("Contracts that will be paid with funds in the Illinois Power Agency Renewable Energy Resources Fund shall be executed by the Agency. Contracts that will be paid with funds collected by an electric utility shall be executed by the electric utility.").

[658] ~~See~~ Id.

[659] These contracts utilize RERF funds.

[660] See Final Order at 151-152, ICC Docket No. 17-0838 (Apr. 3, 2018).

[661] ~~To date no~~As of July 2025, there are 22 approved Illinois Solar for All projects ~~are~~ located in the service territories of rural electrical cooperatives ~~or~~, municipal utilities, or Mt. Carmel Public Utility.

- Low-Income Single-Family and Small Multifamily Solar (branded ILSFA: Residential Solar (Small))
- Low-Income Community Solar Project Initiative (branded ~~(~~ILSFA: Community Solar)
- Incentives for Non-Profits and Public Facilities (branded ILSFA: Non-Profit and Public Facilities)
- Low-~~income large multifamily solar (~~Income Large Multifamily Solar (branded Residential Solar (Large))

These sub-programs provide an incentive initially based on the price per REC from Illinois Shines, with adjustments to that REC price then made to account for the specific needs of the Illinois Solar for All Program.~~–~~

In addition to the four Illinois Solar for All sub-programs, Section 1-56(b)(4) of the IPA Act allows some flexibility to propose change(s) that "more effectively maximizes the benefits to low-income customers." Additional programs or modifications may be proposed by the Agency or in response to the Agency's proposals during the ~~Agency's~~IPA's Plan proceedings before the Illinois Commerce Commission.[662] Section 1-56(b)(2) further provides that the Agency and other parties "may propose additional programs through the Long-Term Renewable Resources Procurement Plan" for low-income customers that may also include incentives for non-photovoltaic technologies for customers, such as energy storage paired with photovoltaics, if additional benefit to public-health and well-being is greater than outcomes from the existing Illinois Solar for All Program structure and sub-programs.[663]

~~Section 1-56(b)(2) further provides that the Agency and other parties may propose additional programs for low-income customers through Illinois Solar for All that may also include incentives for non-photovoltaic technologies for customers, such as energy storage paired with photovoltaics, if additional benefit to public-health and well-being is greater than outcomes from the existing Illinois Solar for All Program structure and sub-programs.~~

Exercising that authority, the Agency is implementing two pilots within Illinois Solar for All addressing barriers expressed by stakeholders:

The first pilot, described in Section 8.5.3.3, provides additional incentives for home repairs and upgrades necessary to install solar on homes that are eligible for the Residential Solar (Small) Program.

The second pilot, described in Section 8.5.3.~~4,~~5 will focus on improving distributed generation uptake among single-family and small multifamily homes, through which the ~~Program Administrator will assume the majority of the customer interaction and public outreach functions. Selection will prioritize Small and Emerging Vendors~~Agency would provide a referral stipend to income-eligible Residential Solar (Small) sub-program participants who connect the Program to eligible households that then successfully participate in the Residential Solar (Small) sub-program.

[662] 20 ILCS 3855/1-56(b)(4).

[663] 20 ILCS 3855/1-56(b)(2).

Any changes to the Program, including to sub-program terms, conditions, and budgets, proposed in this Draft 2026 Long-Term Plan and adopted by the Commission will be effective for the ~~2024-2025~~2026-27 and ~~2025-2026~~2027-28 Program Years. ~~.~~ Absent Commission direction to the contrary, those changes will not apply to the ~~2023-2024~~2025-26 Program Year, which will be almost completed by the time the Agency expects this ~~2024~~2026 Long-Term Plan to be approved by the Commission.

As listed in Section 8.4.2, approximately $~~66.5~~31 million is expected to be available in program years ~~2024-2025~~2026-27 and ~~2025-2026~~2027-28, in addition to any unallocated funds rolled over from ~~program year 2022-2023.~~Program Year 2025-26.

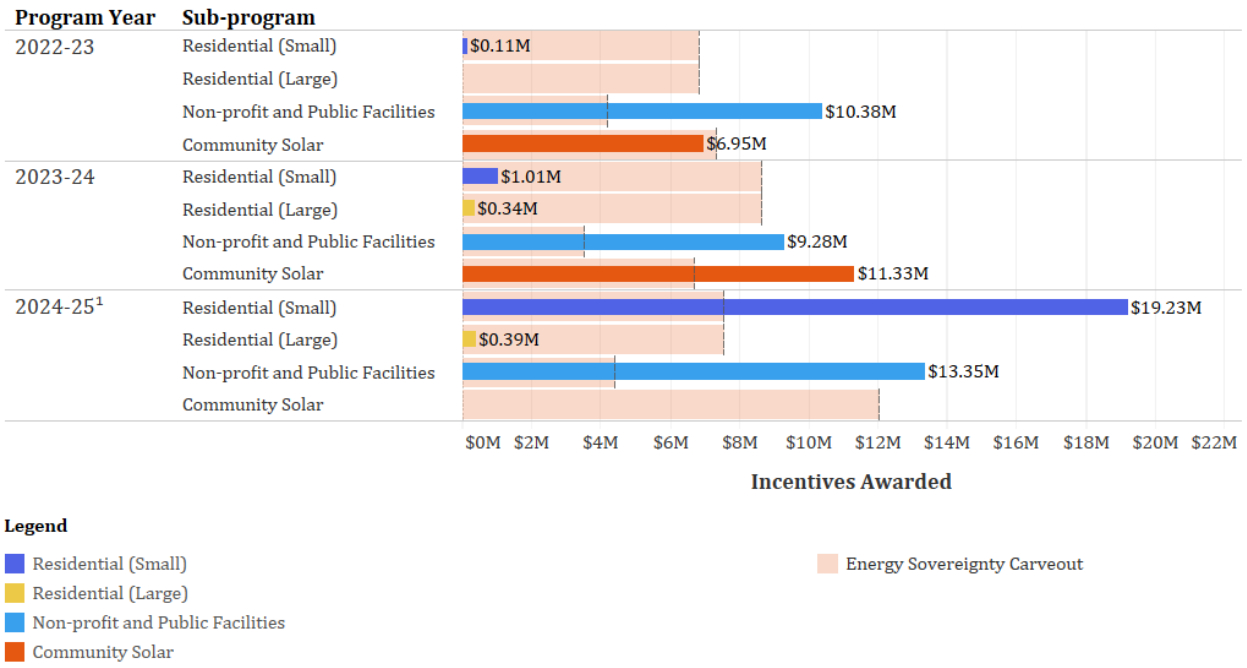
8.5.1 ~~8.5.1~~ Energy Sovereignty

~~As noted above in Section 8.2.4,~~ Section 1-56(b)(2)(A)(i) of the IPA Act requires the Agency to reserve "a portion" of Illinois Solar for All "for projects that promote energy sovereignty through ownership of projects" by eligible entities. Additional research and discussion of energy sovereignty is provided in Appendix G~~.~~ of the 2024 Long-Term Plan.

The Agency reserves one-quarter (25%) of the funds in each of the four sub-program budgets for projects that promote energy sovereignty, with an additional bonus for distributed solar projects. During the ~~2022-2023~~2024-25 Program Year, the Non-Profit and Public Facilities sub-program received ~~19~~35 project submissions that featured energy sovereignty totaling ~~4.38~~5.35 MW of expected capacity, exceeding the 25% funding carveout at 78% of the subprogram budget, and the Community Solar sub-program received ~~1~~no project ~~submission totaling 2.00 MW of expected capacity.~~ submissions that featured energy sovereignty. The Residential (Small) sub-program received ~~four~~512 submissions that featured energy sovereignty representing ~~.34~~4.47 MW of expected capacity, exceeding the 25% funding at 64% of the subprogram budget, and the Residential Solar (Large) saw ~~no~~two submissions that featured energy sovereignty~~.~~ totaling 0.2 MW of expected capacity. Combined, the ~~2022-2023~~2024-25 Program Year included ~~24~~549 project submissions that featured energy sovereignty with an expected capacity of ~~6.41 MW and $17,538,524.36 of incentives value~~10.03 MW and $33,347,822.62 of incentives value, with 29% of the total budget for the 2024-25 Program Year featuring energy sovereignty projects. In addition, the Agency, through the ILSFA Independent Evaluator will conduct a mid-year report on energy sovereignty to determine how to increase opportunities for even more participation.

As seen below in Figure 8-5, sub-programs that have robust participation usually meet their energy sovereignty carveout goals. To date, the Non-Profit and Public Facilities sub-program has always met the energy sovereignty carveout. The Community Solar sub-program has had early success in meeting its sovereignty carveout goals, not quite meeting the goal in the first year of promoting energy sovereignty in the 2022-23 Program Year, surpassing the energy sovereignty carveout goals in the 2023-24 Program Year, but no energy sovereignty projects submitted in the following 2024-25 Program Year. A few Residential (Large) and (Small) projects had an energy sovereignty model in the 2022-23 and 2023-24 program years, but with the great increase in approved projects in the Residential Solar (Small) sub-program in the 2024-25 Program Year, the Agency saw the energy sovereignty uptake greatly exceed the 25% carveout.

Figure 8-5: Energy Sovereignty Projects and Carveout Goals across Program Years 2022-23 – 2024-25



Source: Illinois Solar for All, Illinois Power Agency (July 2025)
Note. The incentive values reflected are from projects that promote energy sovereignty and have qualified as Energy Sovereignty projects in the Program. As ILSFA requirements and data collection for whether projects meet Energy Sovereignty requirements began in Program Year 2022-2023, prior program years have not been included. Energy Sovereignty carveout amounts include rollover and adjustments during Part II Approval.
Note. Section 1-56(b)(2) sets aside 25% of each sub-program's budget in targeted funding for projects promoting energy sovereignty. These amounts are reflected as Energy Sovereignty Carveout in the figure.
Note. [1] Energy Sovereignty carveouts for the Program Year 2024-2025 Community Solar sub-program budget were also applied to federal funds added from the Greenhouse Gas Reduction Fund.

The figure above displays the energy sovereignty carveout and total incentives of selected energy sovereignty projects compared by year and sub-program. The energy sovereignty carveout for each sub-program is identified using a reference line and corresponding shading and is established from the total sub-program allocation for that Program Year, exclusive of any unspent funds rolled over from the previous Program Year.

For Program Years ~~2024-2025 and 2025-~~2026-27 and 2027-28, the IPA will release the funding reserved for energy sovereignty projects in ~~that~~every ILSFA sub-program ~~six months after the application window opens.~~ on January 1. Projects that feature or facilitate ownership of projects by income-eligible households or other entities listed in Section 1-56(b)(2)(A)(i) meet this requirement. Projects where the income-eligible household or eligible entity holds majority ownership of the installation from the time of project application will automatically qualify as promoting energy sovereignty. For projects claiming to "facilitate" energy sovereignty, the Agency will examine the project ownership model, as discussed below.

Facilitating energy sovereignty could take multiple forms, such as on-site projects that are on the customer's property~~, serving 1-4 units of housing, 5+ units of housing, or non-profits and public facilities,~~ or remotely located community solar projects.

~~The Agency received a number of~~In comments ~~from~~on prior Long-Term Plans, stakeholders ~~about~~proposed potential restrictions to subscriber/owners selling their shares of an ILSFA Community Solar energy sovereignty project. ~~The Agency wants to ensure that there are guidelines in place allowing an avenue for the sale of shares of energy sovereignty ILSFA Community Solar projects while protecting ILSFA subscriber owners, maintaining program integrity, and ensuring fair access to potential participants. While comments generally favored prohibiting or restricting sales of subscription shares by ILSFA residential participants, the~~ The Agency understands there are complexities to restricting such sales, and plans to address the issue further through future updates to the Approved Vendor Manual and accompanying stakeholder feedback opportunities.

Section 1-56(b)(3) of the IPA Act requires Illinois Solar for All incentives to be paid upon energization of a project, providing an upfront payment to the project developer, who then delivers ongoing services to the eligible customer. Since models that involve the transfer of ownership after five to seven years are best able to capitalize on federal incentives, this poses a timing issue for promoting energy sovereignty because the incentives are paid before the ownership transfer is completed. Section 1-56(b)(2)(A)(i) of the IPA Act does allow the Agency to "consider the inclusion of projects that promote ownership over time or that involve partial project ownership by communities, as promoting energy sovereignty."

To solve this timing issue, the Agency will utilize the following strategies for the two ownership models, on-site and community solar.

8.5.1.1 ~~8.5.1.1~~ On-Site Projects

For on-site systems that promote energy sovereignty, the Agency will offer an adder of $10 per REC for projects that feature participant ownership of the project or lead to ownership after project energization. As with all Illinois Solar for All REC Contract payments, full payment will be due upon energization, including the adder. The REC Contract for such projects includes additional contract terms that require the AV to identify a proposed date for a transfer of ownership. The REC adder for energy sovereignty will only apply for the years during the contract delivery term in which the participant is a majority-owner of the system. For example, if ownership is proposed to be transferred to the participant at the end of Year Seven, the total REC incentive will reflect an initial REC incentive that does not include the adder for seven years of REC deliveries, with the remaining eight years after the transfer of ownership featuring a REC incentive that includes the energy sovereignty adder.

The Program Administrator must be notified of the transfer of ownership when it occurs along with documentation of how it adheres to the contract terms. The Agency, or contracting utility, will be able to claw back any ownership incentives if the transfer does not happen as expected.

There are many permutations of customer types, building ownership structures, and solar business models. The Agency's goal is to enable ownership for the greatest number of potential beneficiaries in a financially efficient manner, while maintaining consumer protections and delivering benefits to eligible customers.

8.5.1.2 ~~8.5.1.2~~ Community Solar

~~Promoting~~Since community solar installations are eligible for different tax incentives and use different business models than on-site systems, promoting energy sovereignty through the

ownership of off-site community solar projects by income-eligible households requires a different approach from on-site systems. ~~As noted above in Section 8.2.2, community solar installations are eligible for different tax incentives and use different business models than on-site systems.~~

Energy sovereignty for community solar could take the following forms:-

- Project revenue could be used to pay for ownership shares in a community solar cooperative on behalf of eligible customers. These shares would entitle the customer/owner to receive dividends and to subscribe to electricity from the project at a discounted rate, sufficient to meet bill savings requirements. The subscriber/owner would be able to sell the shares to the co-op itself in circumstances where the subscriber/owner wishes to sell.
- Similar to on-site solar, project revenue could be used to purchase individual panels located at a community solar project. The project owner would transfer ownership to an eligible customer after tax benefits have been fully captured, such as through an early buyout of a lease or PPA. The REC incentives would be paid upfront, and either held in escrow to pay for the buyout or taken by the TPO and reflected in contract terms relating to an early buyout.~~—~~

The Agency will give a scoring preference to ILSFA Community Solar projects that feature at least a majority of subscribers that are owners under the two models described above. The Agency will set aside a minimum of 25% of the ILSFA Community Solar sub-program budget for projects that result in ownership by customers. Given the highly competitive state of the Community Solar sub-program, the Agency believes this approach should sufficiently incentivize energy sovereignty projects. This prioritization will be applied after the prioritization for projects located in environmental justice communities. If an insufficient number of energy sovereignty awards are made to meet the 25% set-aside ~~within nine months after~~by the January 1 deadline ~~for program applications~~, those funds will be made available to community solar projects that do not feature energy sovereignty.-

The content of subscription agreements for subscribers to community solar projects featuring energy sovereignty will need to be reviewed and approved by the Program Administrator before being offered to customers. The Agency will encourage Approved Vendors to use a standard subscription agreement to minimize the level of administrative review. The Agency also reserves the right to perform a financial audit on a community solar cooperative that receives ILSFA support.~~ The Administrator will convene a stakeholder process to facilitate education about cooperatives, share best practices, and develop standards for consumer disclosure, and materials or templates to assist with cooperative startups.~~ The Agency will collect and publish data on the number of energy sovereignty projects developed in each sub-program and reassess whether additional incentives are needed.

The Community ~~solar~~Solar Energy Sovereignty Program, part of the Jobs and Environmental Justice Grant Program created in Section 5-60 of the Energy Transition Act enacted through Public Act 102-0662, will be managed by the DCEO. The program will award grants to projects "that best demonstrate the ability and intent to create community ownership and other local community benefits, including local community wealth building." Grants can be awarded for a variety of business tasks as well as to support entities that would assist in ongoing operation, "such as community solar cooperatives." Priority will be given to projects located in equity investment eligible communities and that provide "additional benefits for participating low-income households." The statute does not say that grants can be used to purchase systems for eligible entities, suggesting a complementary role for the incentives provided through Illinois Solar for All.

8.5.2 ~~8.5.2~~ Setting Incentive Levels

The incentive levels described in the following Sections were derived ~~by~~through the REC Pricing Model, utilizing the ~~REC prices for Illinois Shines as~~inputs described in ~~Section~~Chapter 3, Chapter 7~~.5.3 (~~, and ~~further detailed~~ in Appendices D and E~~)~~. The prices described herein incorporate updates and ~~adjusting those prices~~adjustments to ~~meet the~~REC Pricing Model inputs which seek to reflect the state of the solar market, Illinois Solar for All-specific historic project participation, and additional nuances and objectives ~~of~~underpinning the Illinois Solar for All Program. ~~These~~The REC pricing incentives provided below will be offered through a 15-year REC delivery contract, either with the Agency for projects funded with the Renewable Energy Resources Fund, or with a utility for projects funded through utility-supplied funds.

Incentive levels are expressed as REC prices and are set according to the same groups and categories as Illinois Shines (Group A for projects located in Ameren Illinois, Mt. Carmel, MidAmerican, and rural electric cooperatives and municipal utilities located in MISO; Group B for projects located in ComEd, and rural electric cooperatives and municipal utilities located in PJM). The Agency will review and update the incentive levels on an annual ~~program year~~Program Year basis, as is also done for Illinois Shines. ~~That update~~REC Pricing updates will include an adjustment to account for how the comparable Illinois Shines REC price for each Group and category has changed since the previous update, allowing for the prices offered through Illinois Solar for All to track overall market conditions while continuing to be offered at a higher level than for Illinois Shines.~~-~~

For this ~~2024~~Draft 2026 Long-Term Plan, the Agency updated ILSFA REC prices based on the modeling of the updated REC Pricing Model summarily described in Chapter ~~7~~3 and as provided in greater detail in Chapter 7, accompanied by expanded details as found in Appendices D and E. Section 7.5.3. provides a detailed description of the prevailing market conditions and drivers behind broader model inputs impacting all sub-programs (e.g., the effective of ITC changes). The changes to ILSFA REC prices largely reflect changes to the underlying modeling used for Illinois Shines ~~that then flow through to Illinois Solar for All.~~. This means that changes to Illinois Shines ~~prices~~REC Prices that ~~were~~are adopted through the approval of the ~~2024~~2026 Long-Term Plan will also flow through to ILSFA ~~prices. The final 2024-2025 REC Pricing Model is contained in Appendix E and was filed contemporaneously with this Final 2024 Plan in ICC Docket No. 23-0714. The~~ REC ~~prices contained~~Prices where appropriate.

As explained in ~~this Chapter reflect the prices~~detail in ~~Appendix E~~Section 7.5.3, the Agency is aware of recent federal legislation changing the availability of the 30% ITC for solar projects, including projects that could seek to participate in the Illinois Solar for All Program (and those in the Illinois Shines Program). Further, the Agency recognizes that the change in ITC availability is likely to affect developers and their projects differently, with some developers being able to access the ITC for all project participating in the 2026-27 Program Year, some developers being able to utilize the ITC for a portion of their projects through the 2026-27 Program Year, and still other developers determining they are wholly unable to access the ITC. As a result of the prospective changes to the ITC, the Agency completed analysis to evaluate the impact and availability to projects of the Illinois Solar for All Program for the 2026-27 Program Year to determine how best to incorporate the ITC (and other factors). Similar to Illinois Shines, from preliminary discussions with some developers in the market, the Agency understands that most moderate and larger-scale solar projects (i.e., those over 25 kW) may have access to the ITC for projects that would be submitted in the 2026-27 Program Year. Further, it is the Agency's understanding that many third-party owned projects of varying sizes may

also have access to the ITC – at least through some portion of the 2026-27 Program Year. Finally, as explained in Section 7.5.3, a fundamental consideration when establishing REC Prices is to support or otherwise incentivize the development of efficient and cost-effective projects; and, when referring specifically to this Program, maximizing the use of available Illinois Solar for All funding to meet Illinois RPS Goals and RPS Targets. The Agency understands that not all developers and/or all projects will be able to access to the ITC; however, the 2026-2027 period is likely best defined as a transition year (some projects can access the ITC and others not), thus the Agency deferred to including the ITC. The Agency will continue to monitor changes impacting the ITC and incorporate updates in future REC Price Modeling when and where appropriate.

~~In setting REC prices for the Low-Income Distributed Generation Incentive sub-program for the Initial Plan finalized in 2018, the Agency adjusted the Illinois Shines' REC prices in the CREST model by setting the assumed debt financing of the project to 0%, and increasing the net metering benefit shared with participants from 20% to (i) 100% for residential participants in 1-4 unit buildings and (ii) 50% for residential participants in larger buildings.[664] For the 2022 Plan, the Agency increased the development costs component of the model for 1-4 unit buildings to 200% of the value used in Illinois Shines to recognize the increased complexity of developing residential projects as part of Illinois Solar for All, especially the added costs of identifying and verifying eligible income-eligible customers. The 2024 Plan maintains these approaches.~~

~~Similarly, for the ILSFA Community Solar sub-program, in the Initial Plan the Illinois Shines REC prices were adjusted by shortening the financing term to five years and lowering the debt financing to 35% as a proxy for the shorter payment timeline in ILSFA compared to Illinois Shines. The 2024 Plan maintains this approach. For the Non-Profit and Public Facilities sub-program, in the Initial Plan REC prices were adjusted from the Illinois Shines distributed generation pricing model by considering the project as a non-taxable entity; the up-to-10 kW size segment was assumed to be non-residential instead of residential; and the net metering benefit to be shared with participants was increased from 20% to 50%. For this 2024 Plan, the REC Pricing Model was updated to assume that Non-Profits and Public Facilities were able to utilize the 30% ITC pursuant to changes in federal tax law stemming from the Inflation Reduction Act.~~

~~The Agency believes these approaches~~Importantly, the Agency evaluated the impact of not including the ITC in REC Price development for Small DG projects (1-4 Unit Sub-program, 0-25 kW in size). Through this analysis, the Agency found that the exclusion of the ITC resulted in a substantial increase to Small DG REC Prices for Group A and B customers, directionally similar to the Small DG category in the Illinois Shines Program. For example, modeling of the 1-4 Unit DG, Group A, 0-10 kW group REC Price derived a value of $221.23 when including the ITC, but a price of $281.22 when excluding the ITC – an increase of $59.99 or an increase of 27%. Similar results were found for Group B 0-10 kW, along with both Group A and B for the 10-25 kW size projects. The net increase of $59.99 is very similar to the Illinois Shines Small DG, Group A, 0-10 kW category which derived an increase of $64.46. As discussed previously, given that developers may have access to the ITC, and in the interest of extending available funds as far as possible, the Agency is proposing to include the ITC REC Price calculations.

~~[664] See Final Order at 155, ICC Docket No. 17-0838 (Apr. 3, 2018); see also Appendices E-3-a and E-3-b.~~

Throughout this section the Agency has made comparative assessments between the Illinois Shines and Illinois Solar for All Program – mostly pertaining to underlying market drivers and cost/revenue inputs – given the overlapping nature of the REC Pricing Model inputs. The Illinois Solar for All REC Prices provided below do, however intrinsically differ from those of the Illinois Shines Program (see Section 7.5.3).

The Agency believes these model inputs specific to Illinois Solar for All represent reasonable proxies for the higher incentive level needed for Illinois Solar for All projects compared to Illinois Shines projects to overcome the financing barriers and other hurdles these ~~project~~projects face.~~-~~ The ~~new~~ prevailing wage requirements created with the passage of Public Act 103-0188 on June 30, 2023, were ~~not~~ incorporated into the calculation of REC incentive prices for the current ~~2023-2024 program year~~2025-26 Program Year, to mirror the approach taken in Illinois Shines.~~-~~ The Agency remains open to considering including these costs in the calculation of future REC incentive prices.~~–~~

As discussed in Section 7.5, ~~at this time the Agency is not making further adjustments to~~ the REC Pricing Model ~~to account for ITC adders available~~has undergone substantial review and update which has resulted in a refresh of the entire model's design. As discussed extensively above, recent federal legislation impacting expected availability of federal ITC has been considered and incorporated into the REC Pricing Model. For the 2026-27 Program Year REC prices, the Agency was faced with the choice of how to make a simplifying assumption given that some projects may be able to leverage the ITC while others may not. Further, federal tariff changes may also impact projects, challenging projects to obtain necessary materials to develop project under this new framework. Given the adverse budget impacts associated with adjusting proposed REC prices higher – where some projects may still be able to benefit from the ~~Inflation Reduction Act, but will continue to monitor their implementation and may propose adjustments in the future. Several~~ITC – for this draft Plan, the Agency has assumed ITC availability where applicable in REC Prices.

Additionally, several tax credit adders will be available that could have an impact on ILSFA projects including adders for being located in a low-income community, having a low-income economic benefit, or being in an eligible energy community. ~~Stakeholder~~The Agency is aware that there may be changes to the ITC adders created by the Inflation Reduction Act, and with consideration of Stakeholder Feedback received in June 2025 the Agency will continue to monitor their implementation and may propose adjustments in the future.

The final 2026-2027 REC Pricing Model will be contained in Appendix E and will be published contemporaneously with this Draft 2026 Plan. The REC prices contained in this Chapter reflect the prices in Appendix E.

Given the rapidly changing state of federal tax credits, tariffs and other factors impacting solar development, the Agency recognizes that the proposed REC prices will have different impacts on different developers. It is critical that developer experiences are understood and incorporated into the REC Pricing Modeling analysis that informs the creation of the REC prices themselves. The Agency is requesting stakeholders evaluate the proposed REC prices and provide detailed feedback ~~received by the Agency in June 2023 raised concerns with the lack of final guidance~~. Historically, Agency requests for stakeholder feedback on REC pricing have resulted in substantial qualitative comments from ~~the IRS on how these adders will be implemented, as well as that there is a national annual cap~~

~~on capacity eligible for the adders, and at this time the Agency agrees with those concerns.~~[665]an array of stakeholders, but provided limited quantitative inputs to which the Agency could use to compare to model inputs. It is with this understanding that the Agency requests both quantitative and qualitive feedback to inform the REC price development process.

8.5.3 ~~8.5.3~~ Residential Solar (Small) Sub-Program

Section 1-56(b)(2) creates separate sub-programs for projects serving single-family and two- to four-unit multifamily residences (the Residential Solar (Small) ~~category~~sub-program) and income-eligible residences with five or more units (the Residential Solar (Large) ~~category), and sets aside a portion of the program to encourage energy sovereignty.~~ sub-program). Separate schedules of REC incentive prices were established for projects serving one-to-four-unit residences and 5+ unit multi-family buildings. The Agency will hold the initial budget allocations for the Residential Solar (Small and Large) sub-programs ~~for the first nine months of the program year~~until January 1, at which time the two sub-program allocations would combine to be used on a first-come, first-served basis by projects of either sub-program. At the end of the ~~program year~~Program Year, any unreserved sub-~~category~~program funds will rollover to the following ~~program year's~~Program Year's total budget allocation for the Residential Solar (Small and Large) sub-programs for the following ~~program year~~Program Year, in accordance with the Commission's order in approving and modifying ~~this~~the Revised Plan.[666]

Section 1-56(b)(2) sets aside targeted funding for environmental justice communities (25% of each sub-program) and projects promoting energy sovereignty (25% of each sub-program). If the number of Energy Sovereignty awards do not meet the 25% set-aside ~~within six months after~~by the January 1 deadline ~~for program applications, any~~, then remaining funds will be made available to Residential Solar (Small) projects that do not feature energy sovereignty. The ~~six-month~~January 1 energy sovereignty carveouts for the Residential Solar (Small and Large) sub-programs are an adjustment from the previous ~~nine~~six-month carveouts established in the ~~2022~~2024 Plan.

The Agency and Program Administrator have worked with stakeholders to identify barriers to participation in this sub-program and continue to explore and implement adjustments to increase participation, lower soft costs, and simplify sales procedures.[667] For example, a referral process to generate greater participation was developed in fall of 2020 and stakeholder input was received through the end of that year.[668] The referral process and an income verification process for single-family homeowners were both implemented in mid-2021. The referral process considers geography, availability of Approved Vendors with a standard Residential Solar (Small) offer serving single-family homes in a potential participant's area.

The referral process has had limited success, as it only directed potential participants to vendors active in the potential participant's area with standard Residential Solar (Small) offers, which have been less common in recent years. While the ILSFA program has seen an increase in participation

~~665 See for example comments of the Joint Solar Parties: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/rec-pricing-jsp.pdf.~~

666 See Final Order at 100-101, ICC Docket No. 19-0995 (Feb. 18, 2020).

667 See Final Order at 101, ICC Docket No. 19-0995 (Feb. 18, 2020).

668 In response to concerns raised by various stakeholders in the process of approving the First Revised Plan, the Commission determined that the Agency and the Program Administrator shall explore implementing a process to connect interested income-qualified customers with Illinois Solar for All Approved Vendors, and that the Agency must implement any such process in a competitively neutral fashion. (Docket No. 19-0995, Final Order dated February 18, 2020 at 108.) This referral program implements that directive.

within the Residential Solar (Small) sub-program, the Agency ~~is implementing these processes~~recognizes that the speed of connection between an Approved Vendor and program participants continues to be an issue. As such, the Agency proposes to update and expand the existing referral process into a more robust Participant Pipeline serving both the Residential Solar (Small) and Community Solar sub-programs, with the intent to have a Program-maintained list of customers who have been income-verified available to ease customer acquisition costs and delays. Like the referral process, this would be implemented in a competitively neutral fashion, which means that the processes should not give ~~advantage to~~ one Approved Vendor or group of Approved Vendors an advantage over others, nor should they give the appearance of doing so. ~~Furthermore, the referral process consider geography, availability of Approved Vendors serving single-family homes in a potential participant's area, services provided, the efficiency of the process, and transparency of offers~~The Agency will seek input from stakeholders before finalizing the Participant Pipeline details.

The Agency has taken steps previously to address concerns of a difficult project submission process, and ~~a number of~~several adjustments have been made to improve the project submission user experience. The Program Administrator and Agency remain open to recommendations to improve the project submission process while preserving the Program's robust consumer protections and Program integrity.

~~Section 8.5.3.4 outlines the pilot to test a more streamlined program model. In this pilot the Program Administrator assumes the majority of the customer interaction and public outreach functions, such as recruiting customers, conducting income verification, partnering with local organizations, and liaising with job training and placement programs. This pilot focuses on reaching areas underserved by Illinois Solar for All Approved Vendors to date and prioritizes selection of Small and Emerging Vendors to serve those areas.~~

Section 8.5.3.5 includes a proposed pilot to address barriers to uptake in the Residential Solar (Small) sub-program. In this pilot, the Agency would provide a referral stipend to income-eligible Residential Solar (Small) sub-program participants who connect the Program to eligible households that then successfully participate in the Residential Solar (Small) sub-program. This pilot will only be implemented if there is a need for it, as further detailed in Section 8.5.3.5.

To better understand where projects are stalling, the Agency will also improve the tracking and transparency of project processing metrics and will provide it as needed to the ILSFA Stakeholder Advisory ~~Group~~Committee described in Section 8.16. This tracking will inform opportunities to improve the process and provide clear expectations to program participants.

To prevent ILSFA residents from receiving residential distributed generation projects that generate an excess of net metering credits that the customer cannot use within a year, the Agency will place caps on project capacity based on the customer's historical usage. The Agency is aware of new incentives for home electrification and believes that pairing electrification with solar is in line with Program goals as well as maximizing efforts to reduce household energy consumption. However, the industry best practice is for efficiency and electrification upgrades to be ~~competed~~completed for a home or building prior to development of a photovoltaic system to ensure proper sizing. The Agency must not only think of a household that is generating more net metering credits than the participant can utilize, the unnecessary capacity incentivized is also a waste of limited program resources. With consideration of stakeholder feedback received for ~~this~~the 2024 Plan, the Agency will continue to cap Residential Solar (Large and Small) nameplate capacity at 150% of historical

annual use of the host electricity account.~~–~~ The Agency will consider waivers for exceptions to develop a project up to 200% of the historical annual usage with accompanying documentation of payment receipt or other written obligation of incorporation of electrification transitions (including, for example, purchase of an electric vehicle, replacement of fossil fuel heating source with an electric furnace or heat pump).

8.5.3.1 ~~8.5.3.1~~ Eligibility

For single-family homes, households must verify that they are income-eligible; for two- to four-unit residential buildings, at least two of the households must be verified as income-eligible. Projects developed on homes or buildings that qualify for US Department of Housing and Urban Development ("HUD") Project-Based Vouchers or Project-Based Rental Assistance (which are programs for housing units dedicated to income-eligible tenants) also qualify.~~–~~ The income qualification levels required for participation in these programs are lower than income requirements for the Illinois Solar for All Program.~~-~~

~~8.5.3.2 Incentive Level~~

~~As discussed in Section 8.5.2 and in Section 7.5, these REC prices are based on an update of the REC Pricing model developed for this 2024 Long-Term Plan. These prices are consistent with the Commission's Final Order approving the 2024 Plan.~~

Additionally, as discussed further below in Section 8.10.3.2, the option of self-attestation for participants residing in an income-eligible community will be available for the Residential Solar (Small) sub-program.

8.5.3.2 Incentive Level

To establish REC prices for the Residential Solar (Small) sub-program, the Agency first updated the REC Pricing Model to incorporate various market and project-driven inputs to reflect the current costs and revenues of the sub-program. Following these updates, two additional factors were considered – developer access to the federal ITC and what debt-to-equity ratio should be implemented for projects. As discussed in Section 8.5.2 and further explained in Section 7.5.3, the Agency will continue to incorporate the ITC into project cost/revenue calculations. Further, the Agency proposes to maintain the Illinois Solar for All debt-to-equity ratio at 0%, leaving the after-tax equity internal rate of return unchanged. With these determinations, 2026-27 REC prices increased as compared to 2025-26; ranging from approximately 8% to over 16%. Prior to establishing the REC prices, the Agency also considered participation levels and found that this sub-program has been substantively over-subscribed in both the 2024-25 and 2025-26 Program Years. Due to the substantial over-subscription of projects, the Agency has chosen to hold REC prices at the 2025-26 Program Year levels.

The Agency cautions Approved Vendors, Designees, potential customers, and other stakeholders that these prices should be viewed as a preliminary. Prices may change between the release of this draft 2026 Long - Term Plan and the finalization of prices after the ICC's approval of the 2026 Long - Term Plan in February 2026.

Table 8-3: ~~2024-2025~~ 2026-27 REC Prices for the Residential Solar (Small) Sub-Program ($/REC)[669]

System Size	Group A	Group A REC Price Change from 2023-2024 Prices (%)	Group B	Group B REC Price Change from 2023-2024 Prices (%)
~~*≤10 kW*~~	~~$180.68~~	$5.05 (2.88%)	~~$180.28~~	$13.30 (7.97%)
>10 – 25 kW	$149.45	$3.28 (2.24%)	$153.65	$11.05 (7.75%)
>25 kW – 100 kW	$120.27	-$1.51 (-1.24%)	$125.39	$6.56 (5.52%)

System Size	Group A [A]	Group A REC Price Change from 2025-26 Prices (%)	Group B [B]	Group B REC Price Change from 2025-26 Prices (%)
≤10 kW	$194.82	$0 (0%)	$185.02	$0 (0%)
>10 – 25 kW	$164.39	$0 (0%)	$163.75	$0 (0%)
>25 kW – 100 kW	$132.30	$0 (0%)	$137.93	$0 (0%)

Note. REC prices remain unchanged from the 2025-26 Program Year.
[A]Group A encompasses Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives, and Municipal Utilities located in MISO.
[B]Group B encompasses ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM.

To encourage Energy Sovereignty, an additional $10 per REC is added for projects that result in ownership by the customer, such as through an early buyout of a lease or PPA.

[669] While theoretically projects for 1-4 unit buildings could be larger than 100 kW, the Agency does not believe that it is technically possible for a 4-unit project to exceed that size and thus only REC prices for up to 100 kW are displayed here. The REC Pricing Model included in Appendices D and E includes a full set of modeled REC prices.

These incentive payments are intended to be sufficient to enable project developers to eliminate upfront costs and offer minimum required savings to the participants, thereby providing tangible economic benefits from the installation of photovoltaic projects. The REC price is a standard incentive for the contractually obligated delivery of a renewable energy credit and not customized for each project, other than adjustments made for the Home Repair Project discussed in Section 8.5.3.3~~-~~ ~~8.5.3.3~~

~~8.5.3.2~~8.5.3.3 Pilot Program on Home Repairs and Upgrades

~~Program participants and stakeholders have reported that a number of customers who are eligible for ILSFA have been unable to participate in the program due to the need for home repairs and electric upgrades, which are a precondition for installation of solar panels. While the ILSFA program was designed to support solar projects only, the Agency recognizes that income-eligible residents are more likely to face this impediment to participation and this may be frustrating the overall objective of the program.~~

~~Under~~ Section 1-56(b)(4) of the IPA Act~~, the Long-Term Plan approval process may include "~~ grants the Agency the authority to propose additional ~~low-income solar or solar incentive program,~~ programs or modifications to ~~the programs proposed by the Agency, and the Commission may approve an additional program, or modifications to the Agency's proposed program, if the additional or modified program~~ Illinois Solar for All that "more effectively maximizes the benefits to low-income customers~~ after taking into account all relevant factors, including, but not limited to, the extent to which a competitive market for low-income solar has developed."[670]~~."[671]

~~The~~In finalizing the 2022 Long-Term Plan, the Agency~~ has~~ concluded that a pilot program to provide additional incentives for the home repairs and upgrades necessary to install solar on homes would "more effectively maximize[…] the benefits to low-income customers" provided by the Illinois Solar for All program.~~-~~ The Pilot Program on Home Repairs and Upgrades was initially proposed in the 2022 Long-Term Plan and launched in July 2023. The Agency sought input from stakeholders before finalizing the pilot program details and has published the final terms and conditions for participation in the pilot. The pilot program has been in effect for two years and saw sufficient participation in the second year of implementation to fully utilize the $7.7 million budget for the Program Year.

~~The Agency sought input from stakeholders before finalizing the pilot program details and has published the final terms and conditions for participation in the Pilot.~~

The Home Repairs and Upgrades Pilot saw an increase of 17.7 times the number of projects submitted between the first and second years of operation. During the 2023-24 Program Year, the Home Repairs and Upgrades Pilot received 10 project submissions totaling 0.07 MW of expected capacity, representing 10% of the $2,971,875 allocated for the first year of the Pilot. During the 2024-25 Program Year, it received 177 project submissions totaling 1.47 MW of expected capacity and reached the maximum budget of $7,536,652 allocated for the second year of the Pilot. As of August 2025, the third year of the pilot has also reached the maximum budget of $7,746,241 allocated for

~~[670] 20 ILCS 3855/1-56(b)(4).~~

[671] 20 ILCS 3855/1-56(b)(4).

the 2025-26 Program Year with a total of 181 projects submitted during the initial submission window.

With consideration of stakeholder feedback received by the Agency in June 2025, and the success of the pilot so far, the Agency proposes extending the Pilot Program on Home Repairs and Upgrades until U.S. Environmental Protection Agency Greenhouse Gas Reduction Funds (GGRF) are available for site suitability upgrades. As explained in Section 8.8.4, The Illinois Climate Bank was awarded $156 million through the U.S. Environmental Protection Agency Greenhouse Gas Reduction Fund for Solar for All program. Some of this funding is intended for grants for site suitability upgrades, thus addressing the same barriers to solar accessibility as the Pilot Program on Home Repairs and Upgrades. The IPA proposes to extend the Home Repairs and Upgrades pilot until the Illinois Climate Bank grant program begins operation.[672]

The Pilot will continue to only support repairs and upgrades required for solar photovoltaics installation on the premises, such as electrical work, breaker panel upgrades, and roof repairs, beyond those of a normal solar installation. The Agency adopted cost caps per project for either roof repairs or electrical repairs and limited the total budget for the Pilot to one quarter of the ~~total Low-Income Single-Family and~~ Residential Solar (Small ~~Multifamily~~) sub-program budget, which ~~could~~can support approximately ~~100~~175 projects.

Further, as part of the fact-finding nature of the pilot program, the Agency and its Program Administrator will test ways to help the eligible customer seek funding from the various federal, state, and non-profit programs listed in Section 8.8.6. If funding is not available in a timely manner from those programs, the pilot may support the projects. The ability of other programs to fund repairs will be included in an evaluation of the pilot.

~~8.5.3.3~~8.5.3.4 ~~8.5.3.4~~ Residential Solar Pilot

~~The~~Prior to the 2025-26 Program Year, the distributed generation sub-program ~~has~~had yet to achieve participation levels that fully leverage its annual budget, especially for residential customers. ~~Approved Vendors have reported a number of barriers~~Pursuant to ~~income-eligible distributed solar, including customers unfamiliar with solar power or distrustful of marketers, structural impediments such as electrical systems and roofs in need of repair, language barriers, and a complex administrative process.~~

Section 1-56(b)(2) ~~permits~~of the ~~Agency to "propose additional programs" through the~~ IPA Act, in the 2022 Long-Term Plan, ~~provided that the "Commission determines that the Illinois Solar for All Program would provide greater benefits to the public health and well-being of low-income residents through also supporting that additional program versus supporting programs already authorized."~~

~~Given the challenges faced thus far in garnering full participation in the sub-programs designed for residential distributed generation, the Agency proposes testing a new model of program delivery for the ILSFA distributed generation sub-programs. In some states, income-eligible solar programs have been structured with a single entity providing all aspects of program management and delivery – a vertically-integrated model. Such a model could be better equipped to work with income-eligible~~

[672] The IPA is aware that the IFA/Climate Bank has received a notice of termination letter from U.S. EPA regarding this grant. The IPA will work with IFA to evaluate next steps.

~~customers and communities as it reduces the transaction costs associated with the higher need for customer education and ongoing support.~~

~~In the 2022 Plan,~~ the Agency proposed testing a more comprehensive change to the program structure to see if this change would significantly ~~improves~~improve participation levels. Through ~~a~~this limited pilot program, the Agency proposed to implement a more consolidated model where the Program Administrator ~~will assume~~assumed the majority of the customer-interaction and public outreach functions, such as recruiting customers, conducting income verification and site suitability assessment, partnering with local organizations, and liaising with job training and placement programs. ~~-~~The pilot ~~will take place for two years in select communities where a vendor chosen through a competitive Request for Proposals process will serve as~~began implementation during the ~~sole Approved Vendor for participants. The final Residential Solar Design Proposal was released on March 6,~~ 2023~~.~~

~~In February 2023,~~ 24 Program Year with the ~~Agency and Program Administrator provided opportunity for public comment on the Residential Solar Pilot Proposal and Request for Comments to collect input on details of the pilot design, including potential communities for consideration and criteria on which to select the pilot communities for the pilot. The~~ selected communities ~~for the 2023-2024 Program Year represent diverse areas of the state:~~being West Garfield Park, as one of the 77 community areas of Chicago,[673] Waukegan as a suburban community, and the Carbondale-Marion Micropolitan Area as a down-state community. ~~All three areas contain Environmental Justice Communities and areas of significant income-eligible concentration.~~

Through two Request for Proposals ~~was~~ released by the Program Administrator, a qualified Approved Vendor was selected for the West Garfield Park area, and an Approved Vendor was selected for the Waukegan and Carbondale-Marion Micropolitan pilot areas ~~were selected~~ and announced on July 27, 2023. Focused communications campaigns in all three selected pilot communities began on August 1, 2023 under the branding "Bright Neighborhoods."

~~As the REC price for the Low-Income Single and Small Multifamily Solar Program includes adjustments for increased development costs (set at 200% of the comparable costs for Illinois Shines projects), the REC price for the pilot was adjusted to recognize the lower cost to Approved Vendors that will result from the Program Administrator taking on many upfront responsibilities. With guidance from stakeholders the REC Pricing Model for Residential (Small) projects in this Pilot was set in the Carbondale-Marion to provide a 95% increase in the development costs and fees compared to the Illinois Shines Small distributed generation pricing, and an 80% increase in the Chicago community area and Waukegan, instead of the 100% increase normally offered under Illinois Solar for All Residential (Small) REC pricing.~~

~~The pilot will focus on preliminary customer acquisition - the selected Approved Vendor will still be responsible for the disclosure form and the Part I and Part II applications. However, the Program Administrator will continue to provide support and guidance to both the customer and the AV through the entire project application process.[674] Each project participating in the pilot must comply with all other program requirements and rules. In accordance with the Commission's Final Order in~~

[673] See: https://www.chicago.gov/city/en/depts/dgs/supp_info/citywide_maps.html.

~~[674] This clarification of the support offered by the Program Administrator is pursuant to the Commission's Final Order approving this Plan. See Final Order at 116, ICC Docket No. 22-0231 (Jul. 14, 2022).~~

~~Docket No. 23-0714, the Agency and the Program Administrator will add an option for customers participating in the Pilot to demonstrate their income qualification through a self-attestation option, as discussed further below in Section 8.10.3.2.[675]~~

~~The Pilot broadly seeks to ease the soft costs of customer acquisition for the Approved Vendor, which commenters have identified as a key point of difficulty thus far in the program. At the conclusion of the Pilot, a report will be published that summarizes metrics of the households served and provide an analysis of lessons learned that could improve the customer acquisition processes, including the participant income verification process,[676] that could be applied to the Program more widely.~~

~~8.5.4~~ Bright Neighborhoods did not succeed in increasing participation levels within the Residential Solar (Small) sub-program, however, it did provide valuable data and insights regarding the barriers that small residential participants face when enrolling in ILSFA.

In the 2024-25 Program Year, the program resulted in four installations, fifteen referrals to Approved Vendors, and twenty-five applicants completing income-verification (five of which used the self-attestation option) despite significant spending on outreach and participant acquisition. The Program Administrator noted that self-attestation was a much simpler and condensed process for both the participant and Approved Vendors.

Because of the limited success of the Bright Neighborhoods Pilot Initiative, this pilot concluded on May 31, 2025, and the Agency does not propose to renew it for the coming program years. Through the Bright Neighborhoods Initiative, Illinois Solar for All gained insights into barriers surrounding income verification, program awareness and bottlenecks in the project pipeline for participants.

The Pilot Initiative yielded recommendations to improve participation in the Residential Solar (Small) sub-program specifically surrounding:

- Income Verification
- Approved Vendor Referral
- Outreach
- The Role of the Program Administrator

These recommendations have helped the Agency determine what changes are necessary to adequately address barriers to participation in the Residential Solar (Small) sub-program. For example, as outlined in Section 8.10.3.2, the Agency proposes to allow self-attestation for income-verification in income-eligible communities. Additionally, there will be changes to how participants are supported in their referral to Approved Vendors and increased support for participants after they are referred to Approved Vendors. The Program Administrator is working to implement changes informed by the Bright Neighborhoods Pilot to lower barriers to small-residential program participation by updating income verification forms and developing a community engagement plan.

~~[675] Final Order at 104, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

~~[676] "The Commission believes adding a self-attestation option to the Residential Solar Pilot (with appropriate study modification), also know as Bright Neighborhoods Pilot Program, is a reasonable measure to better explore the implications of income verification." Final Order at 104, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

8.5.3.5 Residential Solar (Small) Sub-Program Referral Pilot

As discussed in previous iterations of the Long-Term Plan, the Residential Solar (Small) sub-program had struggled to achieve participation levels that fully leverage its annual budget. Approved Vendors have reported a number of barriers to income-eligible distributed solar, including customers unfamiliar with solar power or distrustful of marketers. Participation levels in the 2024-25 Program Year and the 2025-26 Program Year have increased, but it is unclear what drove an increase in participation, whether it was the increase in REC prices for the sub-program throughout the years, the residential ITC being phased out by the end of 2025 calendar year, or a number of other factors. To maintain the success the sub-program has experienced the past two program years and to efficiently address participation barriers, the Agency proposes to implement a Referral Pilot Initiative to increase participation, if there is a need for it. This approach will ensure that the Agency has flexibility in the event participation levels in the Residential Solar (Small) sub-program decrease after the recent surge in project applications. Section 1-56(b)(2) of the IPA Act allows the Agency to "propose additional programs" through the Long-Term Plan, provided that the "Commission determines that the Illinois Solar for All Program would provide greater benefits to the public health and well-being of low-income residents through also supporting that additional program versus supporting programs already authorized."

Through a limited Referral Pilot Initiative, the Agency would provide a stipend to income-eligible Residential Solar (Small) sub-program participants who connect eligible households to the Residential Solar (Small) sub-program. This pilot will only take place if the Residential Solar (Small) sub-program reverts back to experiencing low participation numbers.[677] Additionally, it would be limited to participants in the Residential Solar (Small) sub-program. The Inflation Reduction Act may have been large driver in uptick of Residential Solar (Small) projects that ILSFA saw for 2024-25 Program Year and the 2025-26 Program Year, and given that the residential ITC will be phased out by the end of the 2025 calendar year (with the commercial ITC, which would be available for systems that are leased or under a PPA, being phased out during 2026), the Agency wishes to maintain the flexibility to implement this initiative for the 2027-28 Program Year. The IPA proposes to evaluate the number of project applications received during the 2026-27 Program Year, and if there is a significant drop in project applications, it will implement the Referral Pilot Initiative for the 2027-28 Program Year.

Similar to other pilot initiatives proposed in previous iterations of the Long-Term Plan, the Agency will conduct a stakeholder feedback process to collect input on details of the Referral Pilot Initiative design, such as the stipend award amount and the milestone necessary to prompt the referral stipend to the referring participant. Since participation levels in the Residential Solar (Small) sub-program are currently on pace to exhaust the allocated budget,[678] the Agency will make a final decision on whether the pilot is necessary.

[677] The low participation number threshold for the Referral Pilot Initiative will be established through the stakeholder feedback request to collect input on the details of this pilot.

[678] $33.67 million in project values have been submitted in the Residential Solar (Small) sub-program for Program Year 2025-2026., https://www.illinoissfa.com/vendors/project-dashboard/, Accessed August 12, 2025.

8.5.4 Residential Solar (Large) Sub-Program

~~As detailed in Section 8.5.3 above, the~~The Residential Solar (Large) sub-program supports distributed generation projects serving residential facilities with five or more units~~, which were previously included in the Low-Income Distributed Generation sub-program~~.

As with the Residential Solar (Small) sub-program, the Residential Solar (Large) projects must meet requirements of Illinois Shines, as well as the additional ILSFA consumer protections outlined in Chapter 9 and Section 8.11. As with all Illinois Solar for All sub-programs, 25% of available funding in this sub-program will be targeted to environmental justice communities and 25% will be targeted to Energy Sovereignty projects that result in ownership by eligible customers.~~-~~ If the number of Energy Sovereignty awards do not meet the 25% set-aside ~~within six months after the deadline for program applications, any~~by January 1, remaining funds will be made available to Residential Solar (Large) projects that do not feature energy sovereignty. The ~~six-month~~January 1 deadline for energy sovereignty carveouts for the Residential Solar (Small and Large) sub-programs are an adjustment from the previous ~~nine~~six-month carveouts ~~proposed with draft~~in the 2024 Plan.

~~Despite the separation of two residential distributed generation sub-programs within ILSFA,~~ Section 1-56(b)(2) provides a single budget allocation for residential projects, inclusive of both the Residential Solar (Small) and (Large) sub-programs.~~-~~ The Agency will allocate that funding evenly between the two sub-programs ~~for the first nine months~~until January 1 of the program year. If, at the end of the January 1 deadline funds remain in the sub-programs, remaining funds would be released for projects of any size from either sub-program, and any funds of the total sub-program budget that remain unobligated at the end of the Program Year will be rolled into the following Program Year's sub-program budget.

~~If, at the end of the ninth month of the program year, funds remain in the sub-program, those would be released for projects of any size from either sub-program, and any funds of the total sub-program budget that remain unobligated at the end of the program year will be rolled into the following program year's sub-program budget.~~

The Agency is aware of new technology that can be used in multifamily residential buildings that takes a single distributed generation system and allows multiple units with individual utility meters to accept the energy produced by the system. Under ILSFA's current Program guidelines, such system would be considered a single system and receive the corresponding distributed generation REC price based upon the overall system size. Regardless of the new technology's ability to deliver the system's energy produced into separate units, the size of the building will determine whether the system can participate in the Residential Solar (Small) or (Large) sub-program.[679] Uptake in the Residential Solar (Large) sub-program has been low since the Program was created, and while this technology is relatively new and its potential is still being explored, the Agency believes it can increase participation in the Residential Solar (Large) sub-program. Therefore, for this Draft 2026 Long-Term Plan, the Agency would appreciate stakeholder feedback on how ILSFA should price the incentives for systems that can divide the offtake of a single distributed generation system into separately metered units. For example, should the Agency adopt an alternative REC price for projects capable of dividing the production of a single distributed generation system into separate units? Should ILSFA treat a project with this technology as separate systems, and if so, how should it account for REC

[679] The Residential Solar (Small) sub-program is for projects serving one-to-four-unit buildings and the Residential Solar (Large) sub-program is for projects serving 5 or more unit buildings.

deliveries from that single system? Or should the Agency apply the Residential Solar (Small) sub-program's co-located REC pricing? The Agency would also appreciate feedback on any other proposal to adequately address this new technology.

To prevent ILSFA residents from ~~receiving~~developing residential distributed generation projects that generate an excess of net metering credits that the customer cannot use within a year, the Agency will cap project capacity based on the customer's historical usage. The Agency is aware of new incentives for home electrification and believes that pairing electrification with solar is in line with Program goals as well as maximizing efforts to reduce household energy consumption. However, the industry best practice is generally to complete efficiency and electrification upgrades prior to development of a photovoltaic system to ensure proper sizing. Furthermore, any unnecessary or excess capacity developed that receives REC incentives ~~is also a waste of~~ needlessly draws funding from the limited program resources. ~~With consideration of~~ Taking stakeholder feedback received ~~for this~~through the 2024 Plan under consideration, the Agency ~~will~~proposed to continue to cap Residential Solar (Large and Small) nameplate capacity at 150% of historical annual use of the host electricity account. The Agency will consider waivers for exceptions to develop a project up to 200% of the historical annual usage with accompanying documentation of payment receipt or other written obligation of incorporation of electrification transitions (including purchase of an electric vehicle, replacement of fossil fuel heating source with an electric furnace or heat pump~~.~~). [680]

8.5.4.1 ~~8.5.4.1~~ Eligibility

To verify program eligibility for five-unit and larger residential buildings, either at least 50% of the tenants must be verified as income-eligible, or the building must meet the definition of "affordable housing" contained in the Illinois Affordable Housing Act.[681] Projects developed on homes or buildings that qualify for US Department of Housing and Urban Development ("HUD") Project-Based Vouchers or Project-Based Rental Assistance (which are programs for housing units dedicated to income-eligible tenants) also qualify. The income qualification levels required for participation in these programs are lower than income requirements for the Illinois Solar for All Program.

8.5.4.2 ~~8.5.4.2~~ Incentive Level

~~As discussed in Section 8.5.2, and Section 7.5, these REC prices are based on an update of the REC Pricing model developed for this 2024. These prices are consistent with the Final Order issued by the Commission in approving the 2024 Plan.~~

In setting REC prices for the Residential Solar (Large) sub-program, the Agency adjusted the Illinois Shines REC prices as explained in Section 8.5.2 and in Section 7.5.3. Similar to the Residential Solar (Small) sub-program, the Agency proposes to maintain the debt-to-equity ratio at 0%, leaving the after-tax internal rate of return unchanged. Resulting REC Prices furcate small to moderate price increases as compared to 2025-26, with smaller projects (0-25 kW) seeing an ~11% to 20% increase and larger projects (25-5,000 kW) seeing a slight decline of ~2% to an increase of ~6%. However, unlike the Residential Solar (Small) sub-program, the Residential Solar (Large) sub-program has been perpetually under-subscribed. Given the low participation rate, the Agency proposes to utilize

[680] Further information on project size caps can be found in Section 8.4 of the Illinois Solar for All Approved Vendor Manual.

[681] See Section 8.10.3.2 for more information on income eligibility (including a required commitment for owners of multi-family buildings).

the modeled pricing, increasing REC prices for most size categories for this sub-program in an effort to support project development for the 2026-27 Program Year.

The Agency cautions Approved Vendors, Designees, potential customers, and other stakeholders that these prices should be viewed as a preliminary. Prices may change between the release of this Draft 2026 Long-Term Plan and the finalization of prices after the ICC's approval of the 2026 Long-Term Plan in February 2026.

Table 8-4: ~~2024-2025~~2026-27 REC Prices for the Residential Solar (Large) Program($/REC)

System Size	Group A	Group A REC Price Change from 2023-2024 Prices (%)	Group B	Group B REC Price Change from 2023-2024 Prices (%)
≤10 kW	$109.11	$1.05 (0.97%)	$122.43	$2.26 (1.88%)
>10 - 25 kW	$92.52	$1.75 (1.93%)	$107.72	$3.49 (3.35%)
>25 - 100 kW	$78.52	-$0.08 (-0.10%)	$91.88	$2.92 (3.28%)
>100 - 200 kW	$76.66	-$3.41 (-4.26%)	$85.12	-$0.85 (-0.99%)
>200 - 500 kW	$69.64	-$3.91 (-5.32%)	$76.92	-$2.06 (-2.61%)
>500 – 2,000 kW	$66.61	-$3.92 (-5.56%)	$72.18	-$0.57 (-0.78%)
2,000 kW – 5,000 kW[A]	$55.45	-$3.23 (-5.50%)	$58.84	-$0.67 (-1.15%)

[A] *The maximum size for projects was increased from 2M to 5 MW through Public Act 102-0662 and REC Prices have now been developed for this size category.*

System Size	Group A [A]	Group A REC Price Change from 2025-26 Prices (%)	Group B [B]	Group B REC Price Change from 2025-26 Prices (%)
≤10 kW	$130.92	$21.81 (20.0%)	$145.79	$23.36 (19.1%)
>10 - 25 kW	$106.21	$13.69 (14.8%)	$119.82	$12.10 (11.2%)
>25 - 100 kW	$83.10	$4.58 (5.8%)	$92.31	$0.43 (0.5%)

>100 - 200 kW	$79.47	$2.81 (3.7%)	$85.84	$0.72 (0.8%)
>200 - 500 kW	$70.90	$1.26 (1.8%)	$76.73	-$0.19 (-0.2%)
>500 – 2,000 kW	$67.86	$1.25 (1.9%)	$71.41	-$0.77 (-1.1%)
2,000 kW – 5,000 kW	$54.22	-$1.23 (-2.2%)	$58.07	-$0.77 (-1.3%)

[A]Group A encompasses Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives, and Municipal Utilities located in MISO.
[B]Group B encompasses ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM.

To encourage Energy Sovereignty, an additional $10 per REC will be added for projects that result in ownership by the customer.

These incentive payments are intended to be sufficient to enable project developers to eliminate upfront costs to the participants for the installation of photovoltaic projects, thereby providing tangible economic benefits to participants. The REC price is a standard incentive for the contractually obligated delivery of a renewable energy credit and not customized for each project.

~~8.5.4.3 Demonstrating Tangible Economic Benefits for Residents of Multi-family Buildings~~

~~Section 1-56(b)(2) requires that the Illinois Solar for All incentives deliver tangible economic benefits for income-eligible customers, including those that live in multi-family buildings. Multi-family buildings can be either master metered or individually metered. For master-metered buildings, the economic benefits of installing a photovoltaic system will not directly impact the occupants of the building because they do not individually pay an electric bill; instead, the benefits accrue to the building owner/manager. Therefore, for master-metered building owners to be eligible for the Residential Solar (Small) and the Residential Solar (Large) categories, the building owner/manager will need to commit to passing along the value of at least 50% of the energy savings from net metering to tenants in tangible ways: reduced (or not raised) rents; new staff that serves all tenants; facility upgrades (excluding repairs and renovations necessary to maintain building codes or organization certifications); new equipment that serves all tenants; or other payments, benefits, or services to all tenants that would not otherwise have been possible without the savings generated by the photovoltaic system. These benefits must be made available to all the tenants, regardless of income level or individual participant uptake. Additionally, the building owner/manager will communicate those benefits to all residents and how they resulted from the installation of solar. The building owner/manager shall demonstrate the commitment to pass along the full value of the required savings to residents by describing in detail how this will be accomplished.~~

~~Regarding projects that support energy sovereignty, the benefits of owning projects located at large multifamily buildings will vary depending on the ownership model of the building. Cooperative housing and condominiums have an inherent ownership model for occupants, but for rental buildings the Agency assumes that ownership of the solar project will likely be retained by the building owner, and not the rental tenants. Since ownership will facilitate long-term financial benefits, the Agency encourages building owners to consider how benefits of ownership can be extended to tenants over~~

~~the life of the system and will be required to present a plan to address this issue if the applicant seeks to qualify for an energy sovereignty adder.~~

~~One challenge to multi-family buildings that are not master-metered is that the photovoltaic system will most likely be connected to the main building account that serves common areas and building-wide load rather than to any individual unit's account. For these buildings, the owner/manager must either provide the same demonstration of passing along benefits to all tenants as for master-metered buildings or, in the alternative, must make available to all tenants the opportunity (at no additional upfront cost levied by the landlord) to participate in net metering pursuant to the provisions of Section 16-107.5(*l*)(1)(B) of the PUA, which allows for net metering of "individual units, apartments, or properties located in a single building that are owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility." In this instance, the project will utilize the interconnecting utility's applicable net metering tariff, which will require the Illinois Solar for All Approved Vendor to maintain system shares for all participating tenants/meters. The net metering bill credit in this instance will be supply-only and costs/savings will be based on this net metering value.~~

8.5.5 ~~8.5.5~~ Community Solar Sub-Program

The Community Solar sub-program is intended to support participation in community solar by income-eligible subscribers.[682] To qualify for this initiative, community solar projects must meet the following provisions contained in Section 1-56(b)(2)(B) of the IPA Act:

> *[E]ach project shall identify its partnership with community stakeholders regarding the location, development, and participation in the project, provided that nothing shall preclude a project from including an anchor tenant that does not qualify as low-income. …*
>
> ~~*It is a goal of this program that a minimum of 25% of the incentives for this program be allocated to community photovoltaic projects in environmental justice communities.*~~
>
> *The Agency shall reserve a portion of this program for projects that promote energy sovereignty through ownership of projects by low-income households, not-for-profit organizations providing services to low-income households, affordable housing owners, or community-based limited liability companies providing services to low-income households.*

For the first provision, Illinois Solar for All Approved Vendors' project applications must include a description of a partnership with community stakeholders in the community where the project will be located. While the IPA Act does not define the term "community stakeholders," the National Community–Based Organization Network (NCBON) defines a community-based organization as one in which:

- The majority of the governing body and staff consists of local residents,
- The main operating offices are in the community,
- Priority ~~issue~~issues areas are identified and defined by residents,
- Solutions to address priority issues are developed with residents, and

[682] 20 ILCS 3855/1-56(b)(2)(B).

- Program design, implementation, and evaluation components have residents intimately involved, in leadership positions.[683]

The Agency will consider entities that demonstrate that they meet this definition as being able to represent community stakeholders in a partnership. Furthermore, the Agency believes the intent of the IPA Act was to create substantial partnerships, going beyond just holding a few community meetings. In addition to information regarding location, development and participation, these partnerships should include a description of how the partnership shows that it is responsive to the priorities and concerns of income-eligible members of the community.

A public entity may qualify as a community-based organization for this purpose, but only if the public entity meets the following requirements:

- The public entity must represent a municipality or county (or school district, park district, etc.) in a municipality or county in the bottom 25% of the state by population.
- The public entity must certify that no local community-based organizations exist that are capable of filling this role.
- The public entity must provide the same showing of robust community engagement as a non-public entity would be required to show.
- Public entities that have failed to act as community-based partners in a past project certification would be ineligible.

The public entity would be qualified as a "community-based organization" only in the context of one project application; the qualification would not be retained for a future project application (the public entity would need to demonstrate the same factors again). Finally, the public entity must provide ongoing reporting of its engagement approach, including public participation opportunities and disclosure of its approach to the project location selection (if applicable).

If the proposed project has an anchor tenant that does not qualify as an income-eligible residential household, the initial application shall describe that anchor tenant in detail; the Illinois Solar for All incentive will be reduced to account for the share of the system subscribed by that tenant not receiving an income-eligible incentive. For any anchor tenant, that reduction is achieved by pricing the non-income-eligible anchor tenant share at the equivalent Illinois Shines Community Driven Community Solar REC price (non-profit or public anchor tenants no longer qualify for the higher ILSFA price). A project may only have one anchor tenant, and that anchor tenant must be identified at the time of initial application.

~~Prior to the enactment of Public Act 102-0662 and the adoption of updated net metering tariffs resulting from that Act, community solar customers in Illinois received credit on their electricity bills for their community subscriptions and also received a separate bill from their community solar providers to pay for those subscriptions (if applicable). Program participants have reported that "dual billing" can be off-putting to potential ILSFA customers, posing a significant barrier for income-eligible customers considering community solar.~~

[683] National Community–Based Organization Network (NCBON), "What is a Community–Based Organization (CBO)?" ~~https://sph.umich.edu/ncbon/about/whatis.html~~ https://sph.umich.edu/ncbon/about/whatis.html.

~~However, under~~Under Section 16-107.5(l)(4) of the Public Utilities Act,[684] most community solar projects in Illinois can now request that a utility "include a subscriber's subscription fee on the subscriber's monthly electric bill and provide the subscriber with a net credit equivalent to the total bill credit value for that generation period minus the subscription fee, provided the subscription fee is structured as a fixed percentage of bill credit value."

With this net crediting approach, both the cost and value of the community solar subscription will appear on a single utility bill, helping reduce confusion. ~~In light of this change~~For the Draft 2026 Long-Term Plan, the Agency will continue to require future applicants to this sub-program to use single-bill net crediting.

In the litigation surrounding the approval of the 2022 Plan, some parties raised concerns that the required use of single-bill net crediting for income-eligible community solar may discourage Approved Vendors from offering LICS projects due to a perceived higher risk of non-payment. The Agency proposed in its Response, and the Commission approved,[685] a commitment to monitor the pace of project application and development in the ILSFA Community Solar sub-program.

~~As utility implementation of a single-billing option is still in its early stages, the 2024~~The Draft 2026 Long-Term Plan ~~will~~proposes to maintain this requirement for ILSFA Community Solar and will continue to monitor implementation of single-billing with ILSFA Approved Vendors~~. If the Agency witnesses a significant decline in project applications, it will request stakeholder feedback on making the single-bill net crediting requirement optional~~ .

In order to encourage projects that have deep community connections, the project selection protocol (see Section 8.10.2) reflects the following prioritization in project selection:

- Projects for which the anchor tenant is a non-profit or public facility critical service provider and also the project host;
- Projects for which the anchor tenant is a non-profit or public facility that is not a critical service provider and is also the project host;
- Projects for which the anchor tenant is a non-profit or public facility critical service provider but not the project host;
- Projects for which the anchor tenant is a non-profit or public facility that is not a critical service provider but not the project host;
- Projects for which the anchor tenant is not a non-profit or public facility~~.~~;
- Projects which meet energy sovereignty requirements for participant/community ownership.

To qualify for any preference in project selection for a project with an anchor tenant, the anchor tenant subscription must be at least 10% of the project size (and, by law, may not be more than 40%).

~~For~~In previous iterations of the Long-Term Plan, the Agency has allowed master-metered income-eligible residential ~~housing programs to be eligible~~ buildings to subscribe as an anchor tenant ~~of a~~, with the anchor tenant's share of the system valued at the Illinois Shines Community Driven Community Solar REC price. The Agency requested stakeholder feedback in May 2025 on an alternative anchor tenant REC price for income-eligible master-metered buildings participating in

[684] 220 ILCS 5/16-107.5(d)(4).

[685] See Final Order at 115, ICC Docket No. 22-0231 (Jul. 14, 2022).

the Community Solar sub-program as anchor tenants. The stakeholder feedback received in June 2025 supported an alternative anchor tenant REC price. With that stakeholder feedback in consideration, the Agency believes an alternative REC price balances the Agency's stance of prioritizing individual household energy burdens and creating a path for participation of master-metered buildings in the sub-program. The alternative anchor tenant REC price would be adjusted by averaging the ILSFA Community Solar ~~project, the~~REC price and the Illinois Shines Community Driven Community Solar REC price. The building owner/manager will need to commit to passing along the value of at least 50% of the energy savings realized from their anchor subscription to tenants in tangible ways. Because the net metering bill credit in this instance will be supply-only, costs/savings will be based on this net metering value. Options for methods of passing benefits to residents include: savings reflected in reduced ~~(or not raised)~~ rents; new staff that serves all tenants; facility upgrades (~~excluding~~beyond required repairs and renovations necessary to maintain building codes or organization certifications); new equipment that serves all tenants; or other payments, benefits, or services to all tenants that would not otherwise have been possible without the savings generated by the photovoltaic system. These benefits must be made available to all the tenants, regardless of income level or individual participant uptake. Additionally, the building owner/manager will communicate to all residents those benefits and how they resulted from the installation of solar. The building owner/manager shall demonstrate the commitment to pass along the full value of the required savings to residents by describing in detail how this will be accomplished. Further information about providing Tangible Economic Benefits to residents indirectly can be found above in Section 8.2.2.

In the ~~2023~~ 2024 ~~Program Year~~Long-Term Plan, the ~~Agency allowed~~ Commission approved the Agency's proposal that master-metered ~~affordable housing~~ buildings ~~with a subscription size under 25 kW~~ should not be allowed to qualify as an income-eligible ~~household~~ non-anchor ~~subscribers. There~~subscriber at any building or subscription size.[686] The 2026 Draft Long-Term Plan proposes to continue with this approach for the same reasons explained during litigation of the 2024 Long-Term Plan. In particular, there are over ~~341,000~~333,738 households that received LIHEAP in the ~~2022-23~~2023-24 Program Year[687] who must manage their own energy burdens, and the current pipeline of available ILSFA Community Solar subscriptions that can be created annually is only in the thousands, several orders of magnitude smaller. The Agency ~~believes~~continues to believe that allowing master-metered accounts to subscribe in place of individual income-eligible households is contrary to the goals of the program and therefore master-metered buildings should not be allowed to subscribe as an income-eligible household at any building or subscription size ~~beginning in the 2024-2025 Program Year.[688]~~.

The Agency also notes that REC prices for the ILSFA Community Solar sub-program are determined assuming the acquisition of individual household subscribers, not with larger subscriptions serving whole buildings where there would be lower transaction costs. If the subscription of master-

[686] Final Order at 97, ICC Docket No. 23-0714 (Feb. 20, 2024).

[687] Illinois Department of Commerce and Economic Opportunity, Illinois Energy Assistance Programs, Report on the Results of Operations Program Year ~~2023~~ 2024 at 3 (~~Jul. 2023~~), ~~https://icc.illinois.gov/api/web-management/documents/downloads/public/Illinois%20Energy%20Assistance%20Programs%20-%20PY23%20Report%20on%20the%20Results%20of%20Operations.pdf~~Sep. 2024),

https://dceo.illinois.gov/content/dam/soi/en/web/dceo/aboutdceo/reportsrequiredbystatute/illinois-energy-assistance-programs-py24-report-on-the-results-of-operations.pdf.

[688] ~~Final Order at 97, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

metered accounts were permitted to be treated as income-eligible subscribers, the Agency would need to determine an adjustment to the REC Pricing Model to reflect the change in subscriber acquisition costs. ~~However, the model is not currently designed to be customized for individual projects in that way.~~

In addition, as described in Section 8.5.3, the Agency proposes to update and expand the existing Residential Solar (Small) sub-program referral process into a more robust Participant Pipeline serving both the Residential Solar (Small) and Community Solar sub-programs, with the intent to have a Program-maintained list of customers who have been income-verified available to ease customer acquisition costs and delays. Like the referral process, this would be implemented in a competitively neutral fashion, which means that the processes should not give one Approved Vendor or group of Approved Vendors an advantage over others, nor should they give the appearance of doing so. The proposed Participant Pipeline for ILSFA Community Solar may be implemented be in coordination with the Connector platform, though not necessarily combined. The Agency will seek input from stakeholders before finalizing the Participant Pipeline details.

As described in Section 8.4.4 and 8.12.4, 25% of available funding in this sub-program will be targeted to projects in environmental justice communities.

Section 1-10 of the IPA Act defines the term "subscription as, "[…] an interest in a community renewable generation project expressed in kilowatts, which is sized primarily to offset part or all of the subscriber's electricity usage."- Under the regime for processing community solar credits by the utilities prior to P.A. 102-0662, the Program had thought of a customer's community solar subscription as tied to offsetting a customer's supply charges only.- For this reason, the Program has limited community solar subscription sizing to ensure they were right-sized for an income-eligible customer's usage. ~~The~~ The Agency understands that with tariff changes implemented by the utilities to conform with the requirements of P.A. 102-0662, community solar credits may already be applied towards both supply and delivery charges for ComEd customers, and by late 2023 for Ameren customers.~~—~~

~~The~~In previous iterations of the Plan, the Agency received stakeholder feedback which favored removing limits to community solar subscription sizing.- The Agency understands the potential for additional subscription capacity to further address a participant's energy burden, however the Agency must also ensure that customers are receiving subscriptions that are excessive of a customer's energy costs and must balance providing significant benefits to individual customers as opposed to providing smaller subscriptions (at the same savings level) to a greater number of eligible households.- Similar to Residential Solar projects, the ~~2024~~Draft 2026 Long-Term Plan ~~caps~~proposes to cap ILSFA Community Solar residential subscriptions, albeit at 200% recent consecutive twelve-month usage.- The Agency intends to monitor the impacts of this limit.

Section 4.2.d. of the ~~2022~~2024 REC Contract details and included in Exhibit C-2 (Community Solar First Year Report), that a Community Solar project must maintain at least:-

1. The percent of Actual Nameplate Capacity that has been Subscribed by the Anchor Tenant and,-
2. the percent of Actual Nameplate Capacity that has been Subscribed by End Use Customers, after the issuance of the Community Solar First Year Report throughout the remainder of the Delivery Term.

~~Under the 2024 Plan in lieu of calculating and using a Daily Average, Approved Vendors will provide quarterly customer subscriber lists to the Program Administrator. This will allow the Program Administrator and IPA the ability to ensure that subscription thresholds are met. This process of providing quarterly customer lists to the Program Administrator is currently conducted and required prior to the issuance of the Community Solar First Year Report.~~

Under the Draft 2026 Long-Term Plan, the Agency proposes to revert subscription reporting requirements to the cadence the Agency utilized in the 2022 Long-Term Plan to ensure ongoing subscription levels by low-income subscribers, the Approved Vendor will have to provide ongoing collateral for ten years equal to 5% of the remaining REC value and report annually on low-income subscription levels. If those levels are not maintained, then the collateral may be called upon to claw back the incentives to the level of low-income subscription.

As specified in Section 8.5.1.2, community solar projects that involve energy sovereignty will be given a scoring preference in the application process, with a minimum of 25% of ILSFA community solar funding reserved for such projects. Section 8.5.1.2 describes possible ownership models for income-eligible community solar projects, such as ownership in shares of a community solar cooperative and customer ownership of a portion of a remotely-sited community solar project. If the number of Energy Sovereignty awards do not meet the 25% set-aside ~~within nine months after~~by the January 1 deadline for program applications, any remaining funds will be made available to ILSFA Community Solar projects that do not feature energy sovereignty.

8.5.5.1 ~~8.5.5.1~~ Incentive Level

~~As discussed in Section 8.5.2 and Section 7.5.3, these REC prices are based on an update of the REC Pricing model developed for this 2024 Plan. Note that these prices are inclusive of the small subscriber adder as discussed in Section 7.9.6. These prices reflect modifications to the REC Pricing Model as ordered by the Commission in approving the 2024 Plan.~~

Similar to previous sub-program discussions, the ILSFA Community Solar sub-program's REC Pricing Model results for the 2026-27 Program Year incorporated various market and project-specific inputs to derive resulting REC prices. Further, this sub-program's REC price modeling maintained a series of assumptions originating from the Initial Plan – including shortening the financing term to five years and lowering the debt financing to 35% as a proxy for the shorter payment timeline in ILSFA compared to Illinois Shines. Following these updates, the REC prices produced a slight increase as compared to the 2025-26 Program Year, ranging from approximately 2% to 4% (note, the Group B 2,000 – 5,000 kW size category derived a slight REC price decline of 0.1%; the only instance of this for this sub-program). Participation in the ILSFA Low-Income Community Solar sub-program typically results in either meeting the targeted quantity or being over-subscribed. While this category has seen success through substantial participation, the Agency finds that the increase is marginal and likely reflective of market conditions without over-compensating prospectively participating projects. As such, the Agency proposes to utilize the modeled REC prices, incorporating the slight REC price increase.

The Agency cautions Approved Vendors, Designees, potential customers, and other stakeholders that these prices should be viewed as a preliminary. Prices may change between the release of this Draft 2026 Long-Term Plan and the finalization of prices after the ICC's approval of the 2026 Long-Term Plan in February 2026.

Table 8-5: ~~2024-2025~~2026-27 REC Prices for Low-~~-~~Income Community Solar Projects ($/REC)

System Size	Group A	Group A REC Price Change from 2023-2024 Prices (%)	Group B	Group B REC Price Change from 2023-2024 Prices (%)
≤ 25 kW	$101.53	$2.39 (2.41%)	$120.64	$8.56 (7.64%)
>25 - 100 kW	$103.26	-$1.63 (-1.55%)	$122.19	-$2.48 (-1.99%)
>100 - 200 kW	$101.28	-$6.67 (-6.18%)	$118.51	-$8.28 (-6.53%)
>200 - 500 kW	$95.59	-$6.90 (-6.73%)	$111.31	-$3.81 (-3.31%)
>500 – 2,000 kW	$84.74	-$7.40 (-8.03%)	$96.63	-$4.52 (-4.47%)
2,000 kW – 5,000 kW[C]	$66.40	-$8.20 (-10.99%)	$75.01	-$3.92 (-4.97%)

[A] *The comparison to prior REC prices includes the 50% small subscriber adder for those prior prices.*
[B] *The comparison to prior REC prices includes the 50% small subscriber adder for those prior prices.*
[C] *The maximum size for projects was increased from 2M to 5 MW through Public Act 102-0662 and REC Prices have now been developed for this size category.*

System Size	Group A [A]	Group A REC Price Change from 2025-26 Prices (%)	Group B [B]	Group B REC Price Change from 2025-26 Prices (%)
≤ 25 kW	$109.91	$4.47 (4.2%)	$122.97	$3.97 (3.3%)
>25 - 100 kW	$111.35	$4.18 (3.9%)	$124.31	$3.39 (2.8%)
>100 - 200 kW	$107.74	$3.88 (3.7%)	$121.24	$2.81 (2.4%)
>200 - 500 kW	$97.55	$3.89 (4.1%)	$112.62	$2.80 (2.5%)
>500 – 2,000 kW	$87.75	$3.62 (4.3%)	$97.96	$2.24 (2.3%)

2,000 kW – 5,000 kW	$72.98	$1.55 (2.2%)	$77.38	-$0.11 (-0.1%)

[A]Group A encompasses Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives, and Municipal Utilities located in MISO.
[B]Group B encompasses ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM.

As mentioned above, the Agency will give a preference to ILSFA ~~Low-Income~~ Community Solar applications that result in energy sovereignty (ownership by eligible customers) and reserve a minimum of 25% of funds for such projects. If an insufficient number of Energy Sovereignty awards are made to meet the 25% set-aside ~~within nine months after~~by the January 1 deadline for program applications, ~~any~~ remaining funds will be made available to community solar projects that do not feature energy sovereignty.

Upfront costs should be limited to encourage participation by income-eligible customers.

These incentives for ILSFA ~~Low-Income~~ Community Solar ~~Projects~~projects are only available for the portion of the project subscribed to by ~~households who have been verified as~~ income-eligible households. In order to receive this incentive at the time of energization, the Approved Vendor must verify the level of income-eligible subscribers to the project as outlined in Section 8.10.3.1. The Agency notes that Illinois Shines only requires 50% of subscribers (in kW volume) to be identified at the time of energization, and that small subscriber adders are granted only if the project meets the small subscriber level after one year of operation. This principle also applies to Illinois Solar for All's Community Solar sub-program ~~as well~~. Only 50% of the income-eligible subscribers will need to be identified by the time the project is energized to receive payment under the REC delivery contract; however, the total amount of that incentive payment will be prorated to the anchor and income-eligible subscription levels at the time of energization. After one year, a payment adjustment shall be made where necessary based upon the anchor and income-eligible subscription level achieved by that time.

To ensure ongoing subscription levels by income-eligible subscribers, the Approved Vendor shall provide ongoing collateral for ten years equal to 5% of the remaining REC value and report annually on income-eligible subscription levels. If those levels are not maintained, then collateral may be called upon to claw back the incentives to the level of income-eligible subscription.

8.5.6 ~~8.5.6~~ Non-Profit and Public Facilities Sub-Program

Section 1-56(b)(2)(C) of the IPA Act specifies that "non-profits and public facilities" are eligible to receive incentives for on-site photovoltaic generation. These incentives are designed to "support on-site photovoltaic distributed renewable energy generation devices to serve the load associated with not-for-profit customers and to support photovoltaic distributed renewable energy generation that uses photovoltaic technology to serve the load associated with public sector customers taking service at public buildings."[689] The IPA Act does not provide what specific non-profit organizations or public sector customers may be eligible.

As described in Section 8.4.4, 25% of available funding in this sub-program will be targeted to environmental justice communities, and 25% will be targeted for energy sovereignty projects that

[689] 20 ILCS 3855/1-56(b)(2)(C).

result in ownership by eligible customers. The Agency will give preference to applications for Non-Profits and Public Facilities that result in energy sovereignty (ownership by eligible customers) and will reserve a minimum of 25% of funds for such projects. If the number of Energy Sovereignty awards do not meet the 25% set-aside ~~within nine months after~~by the January 1 deadline for program applications, ~~any~~ remaining funds will be made available to non-profit and public facility projects that do not feature energy sovereignty.

8.5.6.1 ~~8.5.6.1~~ Eligibility

Given that the objective of the Illinois Solar for All Program is in part "to bring photovoltaics to low-income communities,"[690] it is reasonable to infer that only non-profits and public sector customers that in some manner serve income-eligible communities should be eligible. However, the IPA Act could also be interpreted such that all non-profits and public facilities would be eligible to participate. Because current funding levels are such that only a few large projects might make up the whole of the Non-Profit/Public Facilities budget in a single ~~program year~~Program Year, focusing available funds on income-eligible and environmental justice communities to align with the legislative objectives has been the Agency's approach~~.~~ in previous iterations of the Long-Term Plan. With consideration of stakeholder feedback for this Draft 2026 Long-Term Plan, the Agency proposes to also focus available funding to projects located in census blocks adjacent to environmental justice communities or income-eligible communities.[691]

To balance ~~these~~the objectives~~, initially~~ above, Illinois Solar for All Approved Vendors will have to demonstrate that the project:

- Meets the standards described in Section 8.9 related to projects having sufficient connection to, and input from, income-eligible community members;
- Is sited within an environmental justice community,[692] income-eligible community,[693] or adjacent to an environmental justice community or income-eligible community;[694]
- Serves the electricity load of a building that is occupied by an organization that is a critical service provider for the community[695] (e.g., youth centers, hospitals, homeless shelters, senior centers, community centers, places of worship); if a public facility, the building must host a department/agency that is a critical service provider meeting this standard; and
- The Approved Vendor must either certify that the project's owner will not apply for the federal Investment Tax Credit in relation to the project installation, or if it will apply for the Investment Tax Credit, then the savings level for the participating host of the project must be 65% of energy value rather than 50%.

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690 20 ILCS 3855/1-56(b)(2).

691 The Environmental Justice Communities Map and Income-Eligible Communities Map will be updated to reflect eligible adjacent blocks, for ease of use in the Non-Profit and Public Facilities sub-program.

692 As defined by the methodology outlined in Section 8.12.2 of this 2026 Draft Long-Term Plan.

693 ~~As defined by the methodology outlined in Section 8.12.2 of this Revised Plan.~~ An "income-eligible community" for this purpose is defined as a census tract where at least half of households are not exceeding 80% of AMI.

694 ~~A "low-~~Census Block Groups adjacent to environmental justice communities or income ~~community"~~-eligible communities will qualify for this purpose ~~is defined as a census tract where at least half of households are not exceeding 80% of AMI~~.

695 If the building is not owned by the organization or public agency, then either a lease with at least five years remaining on it, or a commitment by the building owner to lease the facility to a critical service provider for at least five years must be provided.

~~Because~~ Public Act 102-0662 established a category in Illinois Shines specifically to serve public schools~~, the Agency has ceased considering public schools as eligible for the Non-Profit/Public Facilities sub-program after the 2022-2023 program year~~. Similarly, Public Act 102-0662 also created a specific ILSFA sub-program to serve multifamily residential distributed generation projects. ~~The Agency will also no longer allow~~As such, following the 2022-23 Program Year public schools and distributed generation projects serving multifamily residential facilities ~~to~~ can no longer participate in the Non-profit and Public Facilities sub-program ~~since these types of projects qualify to apply for the Residential Solar (Large) sub-program of Illinois Solar for All~~.

The Agency will otherwise maintain its current definition of a Critical Service Provider as a non-profit or public entity that offers critical services to income-eligible or environmental justice communities. A list of accepted service provider types will continue to be maintained in the ILSFA Approved Vendor Manual, and requests for consideration by entities not on that list will be reviewed by the Agency on a case-by-case basis.

8.5.6.2 ~~8.5.6.2~~ Incentive Level

~~As discussed in Section 8.5.4 and Section 7.5.3, these REC prices are based on the updated REC Pricing model developed for this 2024 Plan. These prices reflect the final REC Pricing Model approved by the Commission in the proceeding to approve the 2024 Plan.~~

The ILSFA Non-Profit and Public Facilities sub-program's REC Pricing Model results for the 2026-27 Program Year incorporated various market and project-specific inputs to derive resulting REC prices. Further, this sub-program's REC price modeling maintained a series of assumptions originating from the Initial Plan – this included considering the project as a non-taxable entity, that the 0-10 kW size segment was assumed to be non-residential instead of residential, and that the net metering benefit to be shared with participants was increased from 20% to 50%. Following these updates, the REC prices produced a moderate increase as compared to the 2025-26 Program Year, ranging from approximately 11% to over 15%. Participation has been consistently low or otherwise under-subscribed as compared to the target for this sub-program. Given the participation challenges experienced with this sub-program, that Agency proposes utilizing the modeled (increased) REC prices to incentivize participation and support the pursuit of target achievement.

The Agency cautions Approved Vendors, Designees, potential customers, and other stakeholders that these prices should be viewed as a preliminary. Prices may change between

the release of this Draft 2026 Long-Term Plan and the finalization of prices after the ICC's approval of the 2026 Long-Term Plan in February 2026.

Table 8-6~~: 2024-2025~~: 2026-27 REC Prices for Non-~~-~~Profit and Public Facilities ($/REC)

System Size	Group A	Group A REC Price Change from 2023-2024 Prices (%)	Group B	Group B REC Price Change from 2023-2024 Prices (%)
≤ 25 kW	$101.65	$1.17 (1.16%)	$123.54	$3.90 (3.26%)
>25 - 100 kW	$103.20	-$2.33 (-2.21%)	$120.31	$1.27 (1.07%)
>100 - 200 kW	$99.96	-$6.95 (-6.50%)	$110.66	-$3.55 (-3.11%)
>200 - 500 kW	$92.51	-$7.21 (-7.23%)	$101.32	-$4.88 (-4.60%)
>500 - 2,000 kW	$89.35	-$6.91 (-7.18%)	$95.93	-$2.87 (-2.90%)
2,000 kW – 5,000 kW [A]	$74.97	-$6.34 (-7.80%)	$79.06	-$1.10 (-1.37%)

[A] *The maximum size for projects was increased from 2M to 5 MW through Public Act 102-0662 and REC Prices have now been developed for this size category.*

~~8.5.7~~

System Size	Group A [A]	Group A REC Price Change from 2025-26 Prices (%)	Group B [B]	Group B REC Price Change from 2025-26 Prices (%)
≤ 25 kW	$114.61	$12.68 (12.4%)	$131.59	$16.02 (13.9%)
>25 - 100 kW	$116.05	$12.71 (12.3%)	$128.36	$15.43 (13.7%)
>100 - 200 kW	$110.85	$12.10 (12.3%)	$119.14	$14.54 (13.9%)
>200 - 500 kW	$99.96	$11.17 (12.6%)	$107.97	$13.93 (14.8%)
>500 - 2,000 kW	$96.29	$11.48 (13.5%)	$101.18	$13.63 (15.6%)

2,000 kW – 5,000 kW	$78.62	$7.82 (11.0%)	$83.83	$9.99 (13.5%)

[A]Group A encompasses Ameren Illinois, MidAmerican, Mt. Carmel, Rural Electric Cooperatives, and Municipal Utilities located in MISO.
[B]Group B encompasses ComEd, and Rural Electric Cooperatives and Municipal Utilities located in PJM.

8.5.7 Low-Income Community Solar Pilot Projects

Public Act 99-0906 established a sub-program for Low-Income Community Solar ("LICS") Pilot Projects to test approaches to serving eligible customers; this sub-program was subsequently removed from the Program under modifications to Section 1-56(b)(2) of the IPA Act pursuant to the enactment of P.A. 102-0662.

Participation in the LICS Pilot Projects sub-program was subject to a competitive procurement process conducted by the Agency's Procurement Administrator, who handled the intake and evaluation of all project proposals and made recommendations for bid approval to the ICC. Two pilot projects were awarded REC Contracts totaling $20 million in the fall of 2019, with an average REC price of $72.02. As of August 15, 2025, one of the ~~publication of this 2024 Plan, the~~ selected the projects ~~have not~~has been ~~completed.~~ energized and has begun invoicing for RECs it has delivered.

8.5.8 Demonstrating Tangible Economic Benefits for Residents of Multi-family Buildings

Section 1-56(b)(2) requires that the Illinois Solar for All incentives deliver tangible economic benefits for income-eligible customers, including those that live in multi-family buildings. Multi-family buildings can be either master metered or individually metered. For master-metered buildings, the economic benefits of installing a photovoltaic system will not directly impact the occupants of the building because they do not individually pay an electric bill; instead, the benefits accrue to the building owner/manager. Therefore, for master-metered building owners to be eligible for the Residential Solar (Small) and the Residential Solar (Large) sub-programs, or for an adjusted Community Solar sub-program anchor prices as a master-metered income-eligible multifamily residential building, the building owner/manager will need to commit to passing along the value of at least 50% of the energy savings from net metering to tenants in tangible ways: savings reflected in rents; new staff that serves all tenants; facility upgrades (beyond required repairs and renovations necessary to maintain building codes or organization certifications); new equipment that serves all tenants; or other payments, benefits, or services to all tenants that would not otherwise have been possible without the savings generated by the photovoltaic system. These benefits must be made available to all the tenants, regardless of income level or individual participant uptake. Additionally, the building owner/manager will communicate those benefits to all residents and how they resulted from the installation of solar. The building owner/manager shall demonstrate the commitment to pass along the full value of the required savings to residents by describing in detail how this will be accomplished.

Regarding projects that support energy sovereignty, the benefits of owning projects located at large multifamily buildings will vary depending on the ownership model of the building. Cooperative housing and condominiums have an inherent collective ownership model for occupants, but for rental buildings the Agency assumes that ownership of the solar project will likely be retained by the

building owner, and not the rental tenants. Since ownership will facilitate long-term financial benefits, the Agency encourages building owners to consider how benefits of ownership can be extended to tenants over the life of the system and will be required to present a plan to address this issue if the applicant seeks to qualify for an energy sovereignty adder.

One challenge to multi-family buildings that are not master-metered is that the photovoltaic system will most likely be connected to the main building account that serves common areas and building-wide load rather than to any individual unit's account. For these buildings, the owner/manager must either provide the same demonstration of passing along benefits to all tenants as for master-metered buildings or, in the alternative, must make available to all tenants the opportunity (at no additional upfront cost levied by the landlord) to participate in net metering pursuant to the provisions of Section 16-107.5(*l*)(1)(B) of the PUA, which allows for net metering of "individual units, apartments, or properties located in a single building that are owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility." In this instance, the project will utilize the interconnecting utility's applicable net metering tariff, which will require the Illinois Solar for All Approved Vendor to maintain system shares for all participating tenants/meters. The net metering bill credit in this instance will be supply-only and costs/savings will be based on this net metering value.

8.6 Illinois Solar for All Program Administrator

The Program Administrator for the Illinois Solar for All Program was originally selected via a two-part Request for Qualifications/Request for Proposals process conducted by the Agency in 2018, which culminated in Commission approval of the contract for Elevate Energy to serve as the ILSFA Program Administrator on September 14, 2018, for a period of two years, with the option for annual renewal for up to three additional years. Section 1-56(b~~)(2~~)(5) of the IPA Act clarifies that the Illinois Solar for All Program Administrator "may be, but need not be, the same administrator as for the Adjustable Block Program."

The Agency issued a new Request for Qualifications on August 8, 2022, and released a Request for Proposals on February 23, 2023. Elevate Energy was again selected as the Program Administrator for Illinois Solar for All. Elevate Energy's contract to serve as the ILSFA Program Administrator has been extended through June 30, 2026.

The obligations of the Illinois Solar for All Program Administrator include at minimum:

- Take applications and verify project eligibility in Illinois Solar for All and coordinate this information with the Adjustable Block Program Administrator (who will process the actual generation of contracts). This includes, but is not limited to, review of project technical specifications, income verification, review of community involvement in projects, review of job training coordination, and review of Illinois Solar for All consumer protections such as verification of ensuring tangible economic benefits flow to income-eligible participants. Illinois Solar for All administrative procedures will be as similar to those of the Adjustable Block Program as possible, to reduce administrative burden on Approved Vendors that serve both programs.

- Act as the centralized source for income verification and maintain database of program participants.

- Assist in the development of contracts, disclosure forms, and brochures for use by Illinois Solar for All Approved Vendors and their Designees, and partner community-based organizations.

- Coordinate the distribution of funding for grassroots education efforts by community-based organizations. A priority for this funding will be to promote the availability of the Illinois Solar for All Program in Environmental Justice Communities to achieve the goal of 25% of the incentives being allocated to those communities.

- Facilitate Illinois Solar for All Approved Vendors and Designees meeting the additional requirements of the Illinois Solar for All Program. In particular, the Program Administrator acts as a liaison between Illinois Solar for All Approved Vendors and Designees participating in the programs and organizations providing job training. The Program Administrator will also work to inform Illinois Solar for All Approved Vendors and Designees of energy efficiency, weatherization, lead abatement, and other program opportunities that could provide additional benefits to participants.

- Provide guidance and education to Illinois Solar for All Approved Vendors, Designees, community groups, local government agencies, and others on how to leverage other governmental policies to facilitate income-eligible solar projects and energy efficiency programs. Other relevant policies include affordable housing, economic development, public finance, and tax policies, at the federal, state, and local level. The Administrator will act as liaison with other governmental agencies that administer such programs to facilitate their use on solar development.

- Provide ~~Program~~Approved Vendor Manual and related materials for use by Illinois Solar for All Approved Vendors and Designees.

- Provide reports to the Agency and the Commission on a quarterly basis on the status of the Program including, but not limited to, number of applications received, number of applications approved, number of projects completed, REC payments, payments for and status of grassroots education efforts (if applicable), and a summary of technical assistance provided.

- Facilitate "placement for graduates of Illinois-based renewable energy-specific job training programs, including the Clean Jobs Workforce Network Program and the Illinois Climate Works Preapprenticeship Program administered by the Department of Commerce and Economic Opportunity, along with other programs administered under Section 16-108.12 of the Public Utilities Act."[696]

[696] 20 ILCS 3855/1-56(b)(5).

- "[D]evelop a web-based clearinghouse for information available to both job training program graduates and firms participating, directly or indirectly, in Illinois solar incentive programs."[697]

- "[C]oordinate … activities with entities implementing electric and natural gas income-qualified energy efficiency programs, including customer referrals to and from such programs, and connecting prospective low-income solar customers with any existing deferred maintenance programs where applicable."[698]

8.7 Quality Assurance

Due to the higher incentive level that Illinois Solar for All projects receive compared to those that participate in Illinois Shines, as well as the additional vulnerabilities that program participants may face, it is especially important for the Agency to ensure that projects are properly installed and produce their expected amounts of energy. In conjunction with the Program Evaluator (as described in Section 8.14), the Illinois Solar for All Program Administrator has developed and implemented a process for quality assurance, including assessing 1) the suitability of sites for solar installation and/or the proper planning for mitigating site deficiencies before installation, 2) a thorough photo documentation of all projects while under construction, and 3) on-site inspection of a random sample of installations. If installations are found to have deficiencies or nonconformance with specifications from the application, the Illinois Solar for All Approved Vendor, at its own expense, will be responsible for any repairs, alterations, or additions to remedy the deficiencies. A deficient project may be removed from the Program if already contracted. Illinois Solar for All Approved Vendors who have a disproportionately high number of deficient systems may lose their eligibility to continue to participate in the Illinois Solar for All Program. The Agency continues to work with the Program Administrator to streamline these quality assurance processes. For example, through the most recent update to the Approved Vendor Manual, the Agency updated the photo documentation requirements to alleviate Approved Vendor and Program Administrator delays when submitting a project to ILSFA.

8.8 Coordination with Other Programs

Section 1-56(b)(2) requires that Illinois Solar for All "be implemented in a manner that seeks to minimize administrative costs and maximize efficiencies and synergies available through coordination with similar initiatives, including the Adjustable Block program..., energy efficiency programs, job training programs, and community action agencies."[699]

P.A. 102-0662 authorized the creation of new programs that interact with Illinois Solar for All, as described below.

8.8.1 ~~8.8.1~~ Job Training and Placement Programs

Public Act 102-0662 expanded on the job training and placement programs initiated under Public Act 99-0906. Those programs now include the Clean Jobs Workforce Network Program, the Illinois Climate Works Pre-apprenticeship Program, Returning Residents Clean Jobs Program, Clean Energy Contractor Incubator Program, Clean Energy Primes Contractor Accelerator Program, and the Energy

[697] Id.

[698] Id.

[699] 20 ILCS ~~2855~~3855/1-56(b)(2).

Transition Barrier Reduction Program. It creates three Regional Administrators (North, Central, and South) to administer the implementation of the programs.

While these programs are to be designed and implemented under the guidance of DCEO, they have a number of implications for the Illinois Solar for All program, as the source of trainees required for program job training requirements, as detailed in Section 8.9.1.

Section 1-56(b)(2) of the IPA Act contains two provisions that are designed to ensure that the job trainees supported by the job training programs participate in the installation of photovoltaic projects supported by ILSFA. The first of these requirements is aspirational in nature, while the second is more specific.

The first provision is that "[p]rojects must include job training opportunities if available, with the specific level of trainee usage to be determined through the Agency's long-term renewable resources procurement plan, and the Illinois Solar for All Program Administrator shall coordinate with the job training programs described in paragraph (1) of subsection (a) of Section 16-108.12 of the Public Utilities Act and in the Energy Transition Act."[700] This program is known as the "solar training pipeline program." -The job training program is to be "designed to ensure that entities that offer training are located in, and trainees are recruited from, the same communities that the program aims to serve and that the program provides trainees with the opportunity to obtain real-world experience."[701]

Section 1-75(c)(1)(O) of the IPA Act requires that "[f]or the delivery years beginning June 1, 2021, June 1, 2024, June 1, 2027, and June 1, 2030" – every *three* years– "$10,000,000 shall be provided to the Department of Commerce and Economic Opportunity to implement the workforce development programs and reporting as outlined in Section 16-108.12 of the Public Utilities Act."— However, Section 16-108.12 of the Public Utilities Act still directs the utilities to spend $3,000,000 in each of 2021 and 2025 to train installers for the solar projects authorized and contemplated under the Illinois Solar for All program and other RPS programs.[702]

The availability of job training opportunities for Illinois Solar for All projects depends, in part, on the availability of graduates of the solar training pipeline program. Updates on DCEO's implementation of these programs are available on DCEO's CEJA Program Announcements webpage.[703]

Second, Section 1-56(b)(2) provides that for all Illinois Solar for All sub-programs "[c]ompanies participating in this program that install solar panels shall commit to hiring job trainees for a portion of their low-income installations" and further that, "an administrator shall facilitate partnering the companies that install solar panels with entities that provide solar panel installation job training."[704]

Section 1-56(b)(5) further instructs that, "[t]o increase the ~~update~~uptake of trainees by participating firms, the administrator shall also develop a web-based clearinghouse for information available to both job training program graduates and firms participating, directly or indirectly, in Illinois solar incentive programs." The Illinois Solar for All Program Administrator coordinates with the entities

[700] 20 ILCS 3855/1-56(b)(2).

[701] 220 ILCS 5/16-108.12(a)(1).

[702] The responsibility to administer these programs resided with ComEd prior to the enactment of Public Act 102-0662.

[703] ~~See: https://dceo.illinois.gov/climateandequitablejobs/ceja-program-announcements.html.~~ See: https://dceo.illinois.gov/ceja/ceja-program-announcements.html.

[704] 20 ILCS 3855/1-56(b)(2)(A~~),(~~), (B), (C), (E).

providing job training to maintain a catalogue of job training programs that may have graduates to hire. The Program Administrator has provided training to Illinois Solar for All Approved Vendors on how to access and use this tool, and will continue to work with the organizations receiving DCEO funding to provide job training to encourage participation in ILSFA. Additionally, the Agency has created the Energy Workforce Equity Portal ("Equity Portal") pursuant to Section 1-75(c-25) and sees significant overlap in the function of that online resource and the "web-based clearinghouse" in Section 1-56(b)(5). Therefore, the Agency will leverage the Equity Portal to provide the connection between AVs and job trainees needed for meeting the job training policy objectives of ILSFA. The Equity Portal features a job board with position postings from AVs and information on DCEO-funded workforce training programs. The Program Administrator will work with the Agency to evaluate ways the Equity Portal can meet the job training requirements of ILSFA.

The Agency and its Program Administrator(s) do not run the job training programs, and therefore, the Agency has limited ability to ensure the success of those programs in effectively training new workers. Rather, the Agency will seek to ensure that the Illinois Solar for All Program creates employment opportunities for those new workers, and will track and report data on job placement.

8.8.2 ~~8.8.2~~ Equity and Environmental Justice programs

In Section 5-60 of the Energy Transition Act, Public Act 102-0662 establishes the Jobs and Environmental Justice Grant Program with two sub-programs: the Equitable Energy Future Grant Program and the Community Solar Energy Sovereignty Grant Program, administered by the DCEO. The grant programs will make grant awards of up to $1,000,000 per application "to provide businesses, organizations, and community groups with capital needed to plan, develop, and execute" a renewable energy or energy efficiency project.

The Jobs and Environmental Justice Grant Program will "coordinate with and supplement existing incentive programs, such as the Adjustable Block program, the Illinois Solar for All Program, the community renewable generation projects, and renewable energy procurements as described in the Illinois Power Agency Act, as well as utility energy efficiency measures as described in Section 8-103B of the Public Utilities Act."[705] ~~-~~The Equitable Energy Future Grant Program is specifically for "equity eligible contractors" while the Community Solar Energy Sovereignty Grant Program will support "the pre-development and development of community solar projects that promote community ownership and energy sovereignty." ~~The Agency is in monthly contact with DCEO to ensure coordination in the implementation of these programs and the Illinois Solar for All Program.~~

Finally, Public Act 102-0662 enacted the Clean Energy Jobs and Justice Fund Act, which establishes the Illinois Clean Energy Jobs and Justice Fund, discussed below in conjunction with the Climate Bank.

8.8.3 ~~8.8.3~~ Energy Efficiency Programs and Community Action Agencies

Section 1-56(b)(2) of the IPA Act provides that the Illinois Solar for All Program "shall be implemented in a manner that seeks to minimize administrative costs, and maximize efficiencies and synergies available through coordination with similar initiatives" including energy efficiency programs and community action agencies ("CAAs"). There are ~~35~~30 CAAs in Illinois that administer state weatherization and energy assistance programs.

[705] 20 ILCS 730/5-60(b).

~~Public Act 102-0662 amended~~ Section 8-103B(c) of the Public Utilities Act ~~to direct~~, as amended by Public Act 102-0662 directs utilities "to bundle low-income energy efficiency offerings with other programs that serve low-income households to maximize the benefits going to these households. The utilities shall market and implement low-income energy efficiency programs in coordination with low-income assistance programs, the Illinois Solar for All Program, and weatherization whenever practicable."

Section 1-56(b)(8) of the IPA Act, as amended by Public Act 102-0662, instructs:

> *As part of the development and update of the long-term renewable resources procurement plan authorized by subsection (c) of Section 1-75 of this Act, the Agency shall plan for: (A) actions to refer customers from the Illinois Solar for All Program to electric and natural gas income-qualified energy efficiency programs, and vice versa, with the goal of increasing participation in both of these programs; (B) effective procedures for data sharing, as needed, to effectuate referrals between the Illinois Solar for All Program and both electric and natural gas income-qualified energy efficiency programs, including sharing customer information directly with the utilities, as needed and appropriate; and (C) efforts to identify any existing deferred maintenance programs for which prospective Solar for All Program customers may be eligible and connect prospective customers for whom deferred maintenance is or may be a barrier to solar installation to those programs.*

The Program Administrator has collected information on energy efficiency programs and programs to address deferred maintenance for a Resource Guide to assist potential Illinois Solar for All Program participants. This Energy Resources Guide for Residential Buildings and Non-Profit Facilities[706] is updated at least annually to avoid outdated referrals. The Agency and the Program Administrator will continue to work with utilities, administrators of the Low-Income Home Energy Assistance Program ("LIHEAP") and the Illinois Home Weatherization Assistance Program ("IHWAP"), and other relevant organizations to develop opportunities to share referrals between ILSFA and programs that similarly address energy costs and energy burdens of income-eligible households and non-profit and public facility participants.

As detailed further in Section 8.15, and as approved by the ICC in its Final Order of July 14, 2022 in Docket No. 22-0231, the Agency interprets updated language in Section 1-56(b)(3) expanding use of "other activities deemed to be qualified by the Agency" to allow support for activities driving ILSFA participation beyond education, and will explore ways it can further support ILSFA outreach activities~~,~~. One such activity which ~~may include compensation for~~the Agency has begun implementing is compensating LIHEAP ~~providers' activities~~ providers connecting eligible LIHEAP households with ILSFA Community Solar projects through the ~~Department of Energy's Low-Income Clean~~NCSP+ Energy Connector ~~pilot and~~.[707] Other activities may include compensation of community partners, participant or job trainees participating in a Grassroots Education public presentation, LIHEAP providers connecting eligible households to the Residential (Small and Large) subprogram, and resident stakeholders for their time and efforts providing perspective and feedback for program improvement.

[706] For the 2025-26 Program Year Energy Resources Guide, see: https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Energy-Resources-Guide-English.pdf.

[707] Discussed further in Section 8.8.3.1.

8.8.3.1 ~~8.8.3.1 Department of Energy Low-Income Clean~~National Community Solar Partnership (NCSP+) Energy Connector

On July 27, 2022, the ~~US~~U.S. Department of Energy and the Department of Health and Human Services announced the pilot ~~the~~ development of a Connector platform that would help connect LIHEAP programs with available community solar projects that provide a minimum savings. In partnership with the National Community Solar Partnership, the National Renewable Energy Laboratory (NREL), the National Association of State Energy Officials (NASEO), and the National Energy Assistance Directors Association (NEADA) the goal is to connect "LIHEAP recipients to community solar subscriptions with verified savings and strong consumer protections through the Connector will reduce the cost of customer acquisition for solar developers and subscription managers increase household savings and meaningful benefits for LIHEAP-enrolled households, and increase the deployment of community solar projects in states with low-income community solar programs." Illinois was chosen as one of three pilot states for the Connector rollout, along with New Mexico and the District of Columbia. The team has worked on development of the platform with input from the state solar programs and LIHEAP offices, as well as state program stakeholders and solar vendors.

~~Since the Spring of 2022, the~~The Agency ~~has been working closely with~~and DCEO's Office of Community Assistance worked closely to provide feedback on the development of the Connector, along with recommendations of various best practices. A group of LIHEAP Local Administering Agencies ("LAAs") (most of which are Community Action Agencies) ~~have been~~were identified as interested in participating in the rollout of the Connector. ~~The Agency understands that rollout~~Rollout of the Connector in Illinois was expected in the ~~fall~~March of ~~2023~~2024, but ~~has been~~was delayed ~~and is currently scheduled to open~~until December 20, 2024. As of publishing of this Draft Plan, 7 LAAs are participating in the ~~spring of 2024~~Connector and a total of 39 eligible LIHEAP households have been added to the Connector to be connected with one of the three ILSFA Community Solar projects listed in the platform.

The Agency is pleased that participation in this Connector is creating an opportunity for a simplified way for LAAs to connect income-eligible LIHEAP customers with ILSFA Community Solar opportunities that can provide additional relief to their participants' energy burdens.

The Agency notes that the ~~U.S. Department of Energy has indicated they may require~~Connector requires consumer protections beyond ILSFA's current program guidelines in order to participate in the Connector. Additional financial terms, ~~marketing requirements,~~ tracking and reporting requirements, use of a standard enrollment form, and participation in utility single billing ~~may be~~are all applicable to projects soliciting residential subscribers through the Connector ~~in order to meet DOE's consumer protections standards.~~ .

8.8.4 ~~8.8.4~~ Climate Bank and Federal Funding for Solar for All

Article 850 of the Illinois Finance Authority Act directs the Illinois Finance Authority ("IFA") to create a Climate Bank "to aid in all respects with providing financial assistance, programs, and products to finance and otherwise develop and facilitate opportunities to develop clean energy and provide clean water, drinking water, and wastewater treatment in the State."[708] Green banks in other states have

[708] 20 ILCS 3501/850-5.

played an active role in financing distributed solar. The Connecticut Green Bank, for example, provides a production-based incentive of 8.1¢ per kWh for income-eligible customers plus below market-rate debt to developers to facilitate lower pricing and encourage the participation of market-rate capital providers.

The IPA collaborated with the Illinois Climate Bank to develop Illinois' application for federal funding through the ~~US~~U.S. Environmental Protection Agency's Greenhouse Gas Reduction Fund ("GGRF") Solar for All program. That funding opportunity ~~includes~~included $7 billion in funding for state, tribal, and local governments, and Illinois requested a total of $250 million for a suite of financing mechanisms. The Inflation Reduction Act, which established this funding opportunity, ~~requires EPA~~required U.S. E.P.A. to award all Solar for All funds by September 30, 2024, and the U.S. EPA ~~has said it plans to announce~~announced all awards ~~in~~by July of 2024.[709] ~~States that receive an award must deploy all granted funds within five years of receiving the award, including the allowable planning period of up to one year.~~

The Illinois application ~~includes~~included grants administered by the IFA/Illinois Climate Bank for site suitability upgrades (roof repair, asbestos abatement, etc.) and energy storage, loans for energy sovereignty projects, a standard offer PPA or lease, and loans as working capital for disadvantaged small businesses. The application also ~~builds on~~expanded existing ILSFA programs~~.~~ as described below.

~~First, it proposes~~On April 22, 2024, the U.S. EPA awarded $156 million (the maximum award available to Illinois) to the Illinois Finance Authority. States that received an award must deploy all granted funds within five years of receiving the award, including the allowable planning period of up to one year. That award included a subgrant to the IPA to expand the Illinois Solar for All budget by $85 million, allocating $11 million per year to the Low-Income Community Solar subprogram for each of the five years and $10 million per year to the Small Residential sub program for three years. As of August 15, 2025, the IPA has received $11 million (the first-year Community Solar sub-program allocation) of the $85 million sub-award to expand the ILSFA Community Solar sub-program~~, allocating $100 million to provide~~. The IPA is aware that the Illinois Finance Authority/Climate Bank has received a notice of termination letter from the U.S. EPA regarding the Solar for All grant. The IPA will work with IFA to determine next steps.

In general, a federal grant incurs additional requirements beyond those of the Illinois Solar for All Program. As such, Approved Vendors that execute a REC ~~incentives. Second, it proposes to expand the ILSFA Residential sub-program, allocating $30 million to provide~~Contract utilizing federal funds must comply with additional ~~REC incentives. Third, it requests $25 million to provide grants to local non-profits to replicate and expand the Bright Neighborhoods model currently being piloted by the Program Administrator. For the~~ federal requirements, including adhering to Davis-Bacon and Related Acts, Build America Buy America, U.S. EPA's Disadvantaged Business Enterprise Program, and other legal obligations that attach to federally-funded construction projects.

The IPA sought Commission approval for the proposed expansion of the ~~existing ILSFA Residential and Community Solar sub-programs, the IPA will deposit the funding into the Renewable Energy Resources Fund. The IPA~~ ILSFA budget via federal grant monies in the 2024 Long-Term Plan. Since the IPA may only award ~~REC~~ contracts ~~that provide~~for REC incentives ~~through~~from either the RERF

[709] ~~Frequent Questions about Solar for All, US EPA~~ See: https://www.epa.gov/greenhouse-gas-reduction-fund/frequent-questions-about-solar-all.

or utility-collected funds.[710] As a result, any transfer of funding from IFA to the Agency's general budget would not be usable for REC incentives,[711] any federal subgrant funds must be deposited into the RERF, which requires Commission approval. Per Section 1-56(b-5) of the IPA Act, "[a]fter the receipt of all payments required by Section 16-115D of the Public Utilities Act, no additional funds shall be deposited into the Illinois Power Agency Renewable Energy Resources Fund unless directed by order of the Commission." Therefore, in this 2024 PlanThat authority was provided through the Commission's approval of the 2024 Long-Term Plan. In this Draft 2026 Long-Term Plan, the Agency requests that the Commission include in its Final Order an authorization for the IFA/Climate Bank to deposit funds granted to that agency byand allocated to the U.S. E.P.A. through the Greenhouse Gas Reduction Fund Solar for All programIPA into the Renewable Energy Resources Fund for the purposes described above.

8.8.5 ~~8.8.5~~ Equitable Energy Upgrade Program

Section 16-111.10 of the Public Utilities Act directs the Illinois Commerce Commission to establish the Equitable Energy Upgrade Program, which "permits customers to finance the construction of energy projects through an optional tariff payable directly through their utility bill, modeled after the Pay As You Save system, developed by the Energy Efficiency Institute."[712] Funds may be used for solar installations and other energy improvements.

This program "shall enable utilities to offer to make investments"[713] or arrange financing from third parties or from the Illinois Clean Energy Jobs and Justice Fund, established through the Illinois Clean Energy Jobs and Justice Fund within Public Act 102-0662. The program guidelines shouldSection 16-111.10 of the Public Utilities Act requires the program to follow the "Pay As You Save Essential Elements and Minimum Program Requirements,"[714] which requires a minimum of 20% savings, consumer protections, and other measures. Pay As You Save ("PAYS") can be a way to finance ownership of on-site solar, especially for residents of small 1-4 unit buildings, since repayment is encumbered to the meter, and passes on to any future occupant living in that unit. WhileSince PAYS can work with customers of any income level, there may be synergies to applying it to customers eligible for the Solar for All program as a way to encourage energy sovereignty.

TheAs such, the Agency looks forward tohas been collaborating with the Commission on ways to integrate the Equitable Energy Upgrade Program with Illinois Solar for All. AcrossSince 2022 and 2023, the ICC has convened workshops and page-turning sessions regarding the design of the Equitable Energy Upgrade Program and the IPA has participated frequently. The Agency has highlighted potential areas of overlap or synergy with Illinois Solar for All and will continue to work with the Commission Staff to ensure alignment between the two programs.

[710] See 20 ILCS 3855/1-56(b)(2) and 1-40.

[711] See 20 ILCS 3855/1-56(b)(2) and 1-40.

[712] 220 ILCS 5/16-111.10(c).

[713] Id.

[714] 220 ILCS 5/16-111.10(e)(2).

8.8.6 ~~8.8.6~~ Coordination with programs that support building repairs and upgrades

ILSFA program participants have reported that some eligible households have been prevented from participating in the program due to repairs or upgrades needed on their home or building before solar can be installed.

While the Agency has implemented the Home Repairs Pilot, as described in Section 8.5.3.3, to address costs related to necessary upgrades to the premises for hosting a solar project, the Agency notes that there are various other state, federal, and non-profit programs that provide home repairs and upgrades for eligible households, and seeking support from these programs is a prerequisite for receiving additional incentives through the Home Repairs Pilot.

The US Department of Housing and Urban Development (HUD) offers such programs and cites a number of other agencies and non-profits that provide a range of assistance, including HUD-approved housing counseling agencies, the Illinois Housing Development Authority, Illinois affiliates of Habitat for Humanity, U.S. Department of Veterans Affairs Regional Loan Centers, and the USDA Rural Development Office.[715]

The Agency and the ILSFA Program Administrator are coordinating with these entities to be aware of funding availability for Approved Vendors and participants, explore the potential for coordination between solar installations and home repair programs, and seek to integrate those opportunities into the Home Repairs Pilot and ILSFA program more broadly.

8.9 Additional Requirements for Illinois Solar for All Approved Vendors

Because the Illinois Solar for All Program (other than the Low-income Community Solar Pilot Projects) works similarly to Illinois Shines, direct ~~participants~~participating companies must first be approved as Illinois Shines Approved Vendors through the process outlined in Section 7.7.1. Approved Vendors who seek to submit projects into Illinois Solar for All will additionally have to register with the Illinois Solar for All Program and agree to additional terms and conditions to become an Illinois Solar for All Approved Vendor. An Approved Vendor that does not achieve this status will not be eligible to submit projects. A list of Illinois Solar for All Approved Vendors and Designees is available on both the Illinois Shines website and Illinois Solar for All website.

The additional requirements for registering to be an Illinois Solar for All Approved Vendor include:

- Description of plans for community involvement in projects (where applicable)
- Plan for inclusion of job training opportunities
- A commitment to hire job trainees for a portion of the projects as described in Section 8.9.1
- Coordination with the Program Administrator on income verification
- Agreement to allow the Program Administrator and Agency to review and approve marketing materials geared towards the Illinois Solar for All Program
- Agreement to ensure additional consumer protections as described in Section 8.11

[715] ~~US Department of Housing and Urban Development, https://www.hud.gov/states/illinois/homeownership#f, accessed March 2022.~~ US Department of Housing and Urban Development, https://www.hud.gov/states/illinois#:~:text=Search%20online%20for%20a%20HUD%20Approved%20Housing%20Counselor,resources%20including%20rental%20assistance%20to%20increase%20housing%20stability., accessed July 2025.

- Demonstration for Residential Solar (Small and Large) and community solar projects that participants do not have any up-front payments.

The Agency recognizes the importance of minority-/women-owned business enterprise ("MWBE") participation in the Illinois Solar for All Approved Vendor cohort and will continue to work with the Program Administrator to expand MWBE Approved Vendor participation, including direct outreach to potential MWBE Approved Vendors, as well as partnering with and outreach to equity-focused industry groups. As of ~~October 2023, 11~~August 2025, 16 MWBEs are registered as Approved Vendors in ILSFA (including Single-Project Approved Vendors) and account for ~~13.41% of all Approved Vendors. Additionally, 2 registered Approved Vendors have MWBE Certification Pending, combined with certified MWBE Approved Vendors they account for 15.85~~21.92% of all active Approved Vendors, an increase from 11 MWBEs (and 13.41% of all Approved Vendors) in ~~ILSFA~~October 2023.

The Agency will monitor the MWBE prioritization within the Program and will strive to ensure that these prioritization policies result in increased participation of MWBEs within the Program. The Agency notes that in its registration process for ILSFA Approved Vendors to register as MWBEs, the organization must be certified as an MBE or WBE by a third-party certifying body that is also approved by ComEd/Exelon and Ameren Illinois, including but not limited to the National Minority Supplier Development Council and its regional affiliates and the Women's Business Enterprise National Council and its regional affiliates, the City of Chicago, and the Illinois Department of Central Management Services. Documentation of certification from a qualifying entity is required.[716]

Section 1-56(b)(2) of the IPA Act provides that "[p]riority shall be given to projects that demonstrate meaningful involvement of low-income community members in designing the initial proposals" and that "[a]cceptable proposals to implement projects must demonstrate the applicant's ability to conduct initial community outreach, education, and recruitment of low-income participants in the community."[717] For community solar projects, applicants must identify partnerships with community stakeholders. It is less clear how those provisions would apply directly to projects that participate in either the Low-Income Distributed Generation Incentive sub-program or the Non-Profit and Public Facilities sub-program.

To satisfy these provisions, the registration process for the Illinois Solar for All Program will require Illinois Solar for All Approved Vendors to demonstrate their capacities in this area. An Illinois Solar for All Approved Vendor will do so by satisfying all of the following requirements:

- Providing narrative summary of efforts taken prior to the application to conduct community outreach, education, and recruitment;
- Listing community-based organizations the applicant has partnered with, including letters from those organizations to verify the partnerships;
- Describing in detail ongoing plans for community outreach, education, and recruitment
- Describing staffing for dedicated outreach, education, and recruitment;
- Describing plans for ensuring that tangible economic benefits flow to program participants; and

[716] ~~ILSFA Approved Vendor Questionnaire~~https://www.illinoissfa.com/app/uploads/2020/05/Approved-VENDOR-QUESTIONNAIRE-formatted-FILLABLE.pdf, required for Minority-Owned Business Enterprise (MBE) and Women-Owned Business Enterprise (WBE) Vendors.

[717] 20 ILCS 3855/1-56(b)(2).

- Participating in training offered by the Program Administrator on guidelines for marketing, contracting, and standard disclosures for program participants.

Failure to maintain a demonstrated commitment to these requirements may result in an Illinois Solar for All Approved Vendor being removed from participating in the Illinois Solar for All Program.

8.9.1 ~~8.9.1~~ Job Training Requirements

As described in Section 8.8.1, Section 1-56(b)(2) of the IPA Act contains two provisions that are designed to ensure that the job trainees supported by the job training programs participate in the installation of photovoltaic projects supported by the program. Section 8.8.1 addresses the first provision's instruction to coordinate with job training programs, while this section addresses the second provision specifying that "[c]ompanies participating in this program that install solar panels shall commit to hiring job trainees for a portion of their low-income installations."[718]

The IPA Act does not specify what is meant by "a portion" and also does not define who would qualify as a "job trainee." The Agency allows stakeholders to request that the Program Administrator consider other solar training programs in Illinois as an Other Qualifying Program, as described in 8.8.1, that would qualify an individual as a "job trainee." The Agency will consider graduates of the training programs created by Section 16-108.12 of the Public Utilities Act and of designated Other Qualifying Programs equivalently as "job trainees." The Agency will consider requests for waivers that extend the duration of eligibility for an Eligible Job Trainee up to an additional 12 months.

To ensure that "a portion" of projects use job trainees, Illinois Solar for All Approved Vendors who participate must demonstrate that at least 33% of projects (on a rolling average basis) include the use of one or more job trainees from the solar training pipeline program, the craft apprenticeship program, the multi-cultural jobs program, or training program designated by the Program Administrator as an Other Qualifying Program.[719] Furthermore, each Illinois Solar for All Approved Vendor must demonstrate that for its first year of participation, 10% of the hours worked on all projects will be by job trainees, and that amount would increase to 20% in their second year of participation, and 33% in the third year. The timeline for these increasing annual percentage requirements will start with the beginning of construction of the Approved Vendor's first project contracted under the Program.

Illinois Solar for All Approved Vendors are required to document the use of job trainees by providing a summary of job trainee work to the Program Administrator; the Program Administrator will track and report progress on job placements. Illinois Solar for All Approved Vendors may also request to use job trainees from other job training programs so long as the Approved Vendor can demonstrate that completion of the job training program would lead to the trainee becoming a "Qualified Person" under the Part 468 Rule related to the certification of installers of photovoltaic systems (see Section 2.5.2.4 for additional discussion of these requirements). The Agency will consider requests for waivers of this requirement on a case-by-case basis if an Illinois Solar for All Approved Vendor can demonstrate that, despite diligent efforts at recruitment, job trainees are not available in the area where projects are being installed, and this would prevent the project from being completed.

[718] 20 ILCS 3855/1-56(b)(2)(A), (B), (C) and (E).

[719] Prior to the enactment of Public Act 102-0662, this requirement only applied to the Low-income Distributed Generation sub-program.

Illinois Solar for All requires that Approved Vendors utilize Eligible Job Trainees from qualified job training programs. Eligible Job Trainees can come from one of two types of Qualified Job Training Programs: Public Act 102-0662 and Public Act 99-0906 Workforce Development Programs, or Other Qualifying Programs. ILSFA Approved Vendors may also hire eligible trainees from an Other Qualifying Program ("OQP"), so long as they can demonstrate that completion of the job training program would lead to the eligible trainee becoming a Qualified Person under the 83 Ill. Adm. Code 468.20. Previously, Eligible Job Trainees ~~are currently~~were considered Eligible Job Trainees by completing CEJA or FEJA job training programs within the past 36 months or completing 50 percent of classroom requirements of an OQP in the past 24 months.

~~The Agency received a number of comments from stakeholders in response to feedback questions about the range of minimum training for a trainee to have sufficient classroom and hands-on training to be prepared for the kinds of tasks often assigned to trainees on ILSFA projects.~~The Agency is aware of challenges Approved Vendors have faced in accomplishing the requirements above. Specifically, Approved Vendors have expressed the 36- or 24-month timeline may create conditions where job trainees are discharged since they no longer qualify as an Eligible Job Trainee. Additionally, some job training programs under Section 16-108.12 of the Public Utilities Act have an uncertain timeline for implementation. The Agency received a number of comments from stakeholders in response to feedback questions about increasing the length of time an Eligible Job Trainee would be considered an Eligible Job Trainee. Based on the feedback received, it appears that the 36- or 24- month timeline is still a challenge for Approved Vendors. To alleviate these challenges, the Agency proposes to increase the length of time an Eligible Job Trainee will be considered an Eligible Job Trainee to five years, regardless of the job training program they completed. The Agency and Program Administrator will explore the various curriculums and NABCEP credential options and provide further refinement of Other Qualifying Program criteria in Section 15.2 of the ILSFA Approved Vendor Manual.[720] Specific OQP criteria and accepted curricula will be proposed with the update of the Approved Vendor Manual for the ~~2024-2025~~2026-27 Program Year.

~~8.9.2~~Furthermore, several Approved Vendors have reported challenges in adequately staffing projects with Eligible Job Trainees. In particular, Approved Vendors designated as small and emerging businesses struggle to satisfy the annual job trainee percentage requirements. Currently, each Illinois Solar for All Approved Vendor must demonstrate that for its first year of participation, 10% of the hours worked on all projects will be by job trainees, and that amount would increase to 20% in their second year of participation, and 33% in the third year. The timeline for these increasing annual percentage requirements starts with the Approved Vendor's first project under the Program.

However, Section 1-56(b)(2) of the IPA Act instructs the Agency to "make every effort to ensure that small and emerging businesses, particularly those located in low-income and environmental justice communities, are able to participate in the Illinois Solar for All Program." To encourage small and emerging businesses participation in ILSFA, the Agency proposes to include the job trainee hours worked on non-energized projects in the annual percentage requirements. This would ensure that small and emerging businesses count valuable job trainee hours worked on a project, even if the project is never energized. The Agency will maintain the same annual percentage requirements for Approved Vendors designated as small and emerging businesses but will allow them to count valuable hours worked on a project that may never be energized. While energization is required to

[720] ~~See: https://www.illinoissfa.com/app/uploads/2023/07/Approved-Vendor-Manual-v-6-1-Prevailing-Wage-IPA-Approved-Final.pdf~~ See: https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026_Approved-Vendor-Manual-Version-8.0.pdf.

receive ILSFA incentives, the hours worked on a project, regardless of energization, is invaluable for an Eligible Job Trainee.

8.9.2 Prevailing Wage Requirements

Prevailing wage is a minimum compensation level by county set by the Illinois Department of Labor for construction activities related to public works. Pursuant to the new subsection (b-15) of Section 1-56 of the IPA Act, as amended by Public Act 103-0188, all non-exempt projects applying to ILSFA on or after June 30, 2023 (the effective date of P.A. 103-0188) must be built by workers "receiving an amount for that work that is greater than or equal to the general prevailing rate of wages" for the relevant class of labor.[721] Additionally, projects receiving incentives under ILSFA are "public works" subject to the Prevailing Wage Act[722]—which requires compliance with additional provisions under the Prevailing Wage Act~~, including notice requirements.~~.

The Illinois Department of Labor ("IDOL") oversees the implementation and enforcement of the Prevailing Wage Act and has multiple resources, such as FAQs, available on its website.[723] The Prevailing Wage Act requires that employees, including job trainees, engaged in construction activities related to the project be paid a rate at least equal to the prevailing wage of that location for the applicable class of work, as determined by the IDOL annually and updated regularly on its website. The Approved Vendor, its Designee, its contractors, and its subcontractors must provide written notice to all contractors and subcontractors that the Prevailing Wage Act applies to the project, including notice and record keeping requirements; penalties and fines for violations may be imposed on upstream contractors if they did not provide proper notice to subcontractors. Employees engaged in construction activities must be given written notice of the applicable prevailing wage rates through posting those rates on the work site, at a central office, or through direct written communication. Each contractor and subcontractor under contract for construction activities for the project must submit a Certified Transcript of Payroll ("CTP")[724] using the IDOL Certified Transcript of Payroll Portal on a monthly basis throughout construction activities. Templates for the CTP and additional details on what to include may be found on the DOL website.

The following types of projects are not subject to prevailing wage requirements:

- Distributed generation projects ~~-~~that either:
  - Serve single-family or multi-family residential buildings, or
  - Serve a house of worship and are less than 100 kW AC (aggregated with any co-located projects; and
- Projects that were submitted prior to June 30, 2023.

Illinois Solar for All projects that do not qualify for one of the above exemptions must comply with all provisions of the Prevailing Wage Act. Under the provisions of Section 1-56(b-15) of the IPA Act, as enacted under P.A. 103-0188, the Agency "shall require verification that all construction performed on a project by the renewable energy credit delivery contract holder, its contractors, or its subcontractors relating to the construction of the facility is performed by workers receiving an amount for that work that is greater than or equal to the general prevailing rate of wages as that term

[721] 20 ILCS 3855/1-56(b-15).

[722] 820 ILCS 130/2.

[723] See Illinois Department of Labor, Prevailing Wage Act FAQ, https://labor.illinois.gov/faqs/prevailing-wage-faq.html.

[724] See https://labor.illinois.gov/laws-rules/conmed/certifiedtranscriptofpayroll.html.

is defined in the Prevailing Wage Act[.]"[725] The Agency will require that Approved Vendors, as the "renewable energy credit delivery contract holder" submit with the Part II application copies of the certified transcripts of payroll, which the Prevailing Wage Act requires to be submitted to the Illinois Department of Labor monthly during construction activity.

If, during the Part II review, the Program Administrator finds that a participating project was not compliant with the provisions of the PWA, the Approved Vendor and its Designee, contractor, or subcontractor must cure this defect through providing backpay to impacted workers, provide documentation of such backpay, file the required CTPs with IDOL, and provide a copy of those CTPs to the Agency. Review of CTPs by the Program Administrator does not confirm compliance with the provisions of the PWA. Compliance with the provisions of the PWA is confirmed by IDOL. Failure to comply with prevailing wage requirements is considered a violation of Program requirements. While the Agency may refer potential violations of the PWA to the IDOL for further investigation and enforcement, the Agency may also take disciplinary action against any Approved Vendor or Designee found to have violated the PWA on a facility for which there was a REC Contract under ILSFA.

8.10 Application Process

8.10.1 ~~8.10.1~~ Project Submissions and Batches

Except for Low-Income Community Solar Pilot Projects, the process for a project to be submitted to the Illinois Solar for All Program generally mirrors that for Illinois Shines described in Section 7.10. Projects are submitted by Illinois Solar for All Approved Vendors through a similar process as Illinois Shines, but to expedite processing of ILSFA projects there is no minimum batch size.[726] There is no application fee for Illinois Solar for All projects.

Applications will be submitted through the Illinois Solar for All project application portal and will provide the supplemental information required for Illinois Solar for All beyond that required for an Illinois Shines project.[727] If the supplemental information does not demonstrate that the project qualifies for participation in the Illinois Solar for All Program, the project may still be eligible to participate in Illinois Shines through a separate application (including the payment of an application fee), although any such application would be subject to the availability of block capacity in Illinois Shines. A project may not apply to the Illinois Solar for All Program if it is included in a batch of Illinois Shines projects that have been submitted to the Commission for approval (or subsequently approved). If a project applies to both programs, the Illinois Solar for All application will have to be withdrawn at the time Illinois Shines sends its approval recommendation to the Commission (and vice versa). Additionally, a project may not apply to two sub-programs of Illinois Solar for All within the same ~~program year~~Program Year.

Like for Illinois Shines, Illinois Solar for All projects will be bundled into one contract or confirmation for each approved batch. The Agency will request Commission approval for contracts that include additional Illinois Solar for All provisions. Those contracts will be executed first with the utilities

[725] 20 ILCS 3855/1-56(b-15).

[726] In prior Plans, the Agency had required a 50 kW minimum batch size, but ~~is removing~~removed that requirement ~~from~~through the 2022 Long-Term Plan to help encourage participation by small and emerging businesses.

[727] A number of program participants have reported difficulty using the ILSFA portal. The Program Administrators of the two programs are working together to make their portals and processes as simple and uniform as possible. ~~User experience improvements continue to be made to the ILSFA Approved Vendor.~~

using the allocation from their Renewable Resources Budgets, and then by the Agency using funds from the Renewable Energy Resources Fund. The Agency will allow the assignment of single projects in the limited case where this assignment serves a consumer protection end. Please refer to Chapter 9.4.2.1 for more details on this proposal. For contracts allocated to a utility, the Program Administrator will strive to allocate contracts to each utility for projects in their service territory, but in a manner that will obligate funds at a level consistent with each utility's share of funds committed to Illinois Solar for All.

Like the Illinois Shines contract process described in Section 7.10.5, an Approved Vendor's failure to timely execute a product order will potentially subject that Approved Vendor to discipline, and the constituent projects will be considered removed from the Illinois Solar for All Program. Additionally, as discussed in Section 7.11.1 for Illinois Shines, when an Approved Vendor's collateral is forfeited under its ILSFA REC Contract (if the contract is with a utility), that collateral amount will be restored to the utility's Renewable Resources Budget, and if the contract is with the Agency, that collateral amount would be deposited into the Renewable Energy Resources Fund.

The process for posting collateral will mirror that for Illinois Shines described in Sections 7.12.2.[728] For an ILSFA Community Solar project that is not yet energized at the time of Commission approval, the REC Contract value (for purposes of calculating the required collateral posting) shall be based on an assumption that 100% of the project is subscribed by ~~low-~~income-eligible residential households qualifying as "small subscribers."

8.10.2 ~~8.10.2~~ Project Selection for Sub-programs with High Demand

Projects for each sub-program must initially be submitted within pre-determined project submission windows for each ~~program year~~Program Year. In the case that a sub-program has a large number of applications such that the funding required for all eligible applications received within the submission window exceeds that sub-program's total budget (including RERF funds and utility funds)[729] for that ~~program year~~Program Year, the Agency will establish a protocol that provides a basis for scoring each individual project based on attributes that align with the goals of this ~~2024~~Draft 2026 Long-Term Plan and creates a ranking of projects based on these scores.[730] The highest scoring projects will be selected for funding first, where possible, ensuring funds prioritize projects that directly meet Plan objectives. One objective of this selection protocol will be to minimize the use of random tie-breaking as a means of selection.

Attributes that will receive higher scores include:

- Location with an Environmental Justice Community;
- Location within an income-eligible community (as defined above in Section 8.5.6.1);

[728] With the exception of Approved Vendors designated as small and emerging businesses.

[729] Note that sub-program budgets are adjusted to account for any funds not committed in the previous ~~program year~~Program Year and rolled over, administrative expenses, and grassroots education costs. Furthermore, the Agency may adjust allocations of utility-supplied funding if needed.

[730] This approach has been utilized ~~for the 2018-2019 and 2019-2020~~across prior program years, and most recently for the ~~Project Selection Protocol for the 2022-2023 program year,~~2025-26 Program Year. See: https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Project-Selection-Protocol.pdf.

- Projects developed by Illinois Solar for All Approved Vendors that are women- or minority-owned businesses,[731] or small and emerging businesses;
- Preferences for types of subscribers in ILSFA Community Solar projects, as outlined in Section 8.5.5;
- Preferences for projects that result in ownership by eligible customers or subscribers, as described in the discussion of Energy Sovereignty in Sections 8.2.4 and 8.5.1; or
- Other attributes that align with Plan priorities.

In addition, scoring will be weighted in such a way that helps to ensure a diversity of project development compared with all projects submitted for a given sub-program. For example, additional weighting might be given for:

- Geographic location,
- Project size, or
- Other such attributes that reflect a diversity of projects.

The project selection protocol should be executed in a way that ensures that 25% of funds go to projects located in Environmental Justice communities or to projects that encourage Energy Sovereignty whenever possible. As discussed in Section 8.12.4 below, the 25% allocation for projects located in Environmental Justice communities will be held open until the end of the program year and for projects that encourage Energy Sovereignty within each sub-program will be held open until ~~the end of each program year~~January 1.

After each ~~program year's~~sub-program's initial project submission window, if funds ~~for a given sub-program~~ remain available, project applications will be accepted and reviewed on a first-come, first-served basis for the remainder of the ~~program year~~Program Year. If annually allocated utility or RERF funds in a sub-program remain at the end of the ~~program year~~Program Year, the unused funds will be rolled over to the next ~~program year~~Program Year for that sub-program. Additionally, if funds become available due to the withdrawal of any projects submitted during ~~a program year~~the Program Year and after project selection, those funds may be made available to the next eligible project on the waitlist for that ~~program year~~Program Year. The waitlist from each ~~program year~~Program Year will not carry over to the following ~~program year~~Program Year.

Previous Plans proposed that if the Part II project approval (e.g., energization verification) results in the final REC Contracts value being revised downward, the funds made available from that revision would be made available within the applicable sub-programs for consideration by any projects remaining in the waitlist queue for the current ~~program year~~Program Year. The next eligible project on the general waitlist for that sub-program would be awarded those funds or given an option to resize the project in proportion to the newly available funds in a similar fashion to the last projects selected during the project selection process. In practice, the amounts made available from reduced final REC Contract values at Part II are minimal relative to project sizes and are rarely happening at the same time to provide a meaningful funding opportunity for waitlisted projects. ~~Beginning with~~Since the 2024-~~2025~~25 budgets, the Agency ~~will roll~~has rolled over funds made available from

[731] During the proceeding to approve ~~this~~the Revised Plan, the Agency recommended a workshop or public comment process to explore expanding this criterion beyond Approved Vendors to include contractors and subcontractors. The Commission agreed that such a process is appropriate. See Final Order at 105, ICC Docket No. 19-0995 (February 18, 2020).

reductions in final REC Contract values to the same sub-program budget in the following ~~program~~Program year along with any other unallocated funding.

Following feedback received during the Agency's July 2021 stakeholder workshop and comment process expressing preference from stakeholders for additional lead time with visibility into the ILSFA Project Selection Protocols. Following the passage of Public Act 102-0662, further feedback was sought for guidance on updating Project Selection Protocols given updates to the legislation. In response to stakeholder concerns, the Project Selection Protocol developed for the 2022-~~2023 program year~~23 Program Year was maintained without changes for the 2023-~~2024 program year~~24 Program Year to promote stability and certainty for Illinois Solar for All Approved Vendors, with the exception of adding in the new criterion related to Energy Sovereignty. ~~Any~~To provide stakeholders the opportunity for visibility and feedback, any changes to the ~~protocol~~Project Selection Protocol for the ~~2024-2025 program year~~2026-27 Program Year will be finalized ~~at least six months~~ before the start of the ~~program year~~Program Year.

8.10.3 ~~8.10.3~~ Customer Eligibility

Customer eligibility for the Illinois Solar for All Program is partly defined in the Act. Further refinements are proposed in this section.

8.10.3.1 ~~8.10.3.1~~ Income Guidelines

Section 1-56(b) of the IPA Act, as amended by P.A. 103-1066, now states that~~, as used in that section (and thus for the Illinois Solar for All Program),~~ "'low-income households' means persons and families whose income does not exceed 80% of area median income, adjusted for family size and revised every ~~5 years~~year."[732]

The Agency will use income eligibility ~~guidelines~~limits from HUD. HUD bases its housing assistance programs, such as the Section 8 Housing Choice Voucher program, on 80% of area median income, adjusted for family size.[733]

Because the IPA Act does not define "area," the Agency will use HUD's definition of an area as a Metropolitan Statistical Area (MSA), a Fair Market Rate (FMR) Area, or a county not in an MSA or FMR. There are ~~20~~18 MSAs and FMRs, and ~~62~~65 other counties in Illinois.

Eligibility levels for Illinois Solar for All, based on HUD ~~guidelines~~income limits for every area and adjusted for family size, are presented in Appendix F. HUD updated their income ~~guidelines~~limits in ~~June 2022~~April 2025, and Illinois Solar for All income guidelines ~~have been~~will be updated with the ~~2022~~2025 HUD State Income Limits with the ~~2022~~Draft 2026 Long-Term Plan and ~~are due to update in 2027~~annually moving forward.

The HUD ~~eligibility~~FY 2025 state income limits for Illinois ~~FY 2022 as a whole are~~ shown in the table below. For example, a family of four would be considered "low-income" if their household income were less than $~~76~~88,100. (Actual eligibility depends on income for an area, rather than for the state

[732] 20 ILCS 3855/1-56(b).

[733] ~~HUD, Income Limits Documentation System at https://www.huduser.gov/portal/datasets/il.html.~~ For metropolitan area and county level income limits, see: https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_IL_2025.pdf.

as a whole.) HUD has other programs that use "very low" and "extremely low" income measures, at 50% and 30% of AMI that are provided here for reference.[734]

Table 8-7: -HUD Income Limits

HUD State Income Limits: Illinois FY 2022 *Median family income (MFI) = $97,600*								
Persons in household:	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
30% of median ("extremely low income")	~~$19,950~~	~~$22,850~~	~~$25,700~~	~~$28,550~~	~~$30,800~~	~~$33,100~~	~~$35,400~~	~~$37,650~~
50% of median ("very low income")	$33,330	$38,050	$42,800	$47,550	$51,350	$55,150	$58,950	$62,750
80% of median ("low income")	$53,250	$60,850	$68,500	$76,100	$82,150	$88,250	$94,350	$100,450

~~It should be noted that other income-eligible energy programs, such as IHWAP and~~

HUD State Income Limits: Illinois FY 2025 *Median family income (MFI) = $110,100*								
Persons in household:	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
30% of median ("extremely low-income")	$23,150	$26,450	$29,750	$33,050	$35,700	$38,350	$41,000	$43,650
50% of median ("very low-income")	$38,550	$44,050	$49,550	$55,050	$59,500	$63,900	$68,300	$72,700
80% of median ("low-income")	$61,700	$70,500	$79,300	$88,100	$95,150	$102,200	$109,250	$116,300

Before the LIHEAP ~~have~~ 2026 Program Year, LIHEAP and IHWAP eligibility was based on 200% Federal Poverty Level. Beginning in the LIHEAP 2026 Program Year, LIHEAP income guidelines ~~that are updated each program year, based on the federal poverty level (not area income), with statewide values. Eligibility guidelines are set~~will be based on 60% of State Median Income (SMI) for households with ~~income below 200% of the previous year's federal poverty level, depending on the program. Illinois~~up to 12 members and 150% of the Federal Poverty Level for households larger

[734] ~~See https://www.huduser.gov/portal/datasets/il/il22/State-Incomelimits-Report-FY22.pdf. For metropolitan area and county level income limits, see: https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_IL_2022.pdf.~~ HUD, Income Limits Documentation System at https://www.huduser.gov/portal/datasets/il/il2025/select_Geography.odn.

than 12 members. IHWAP income guidelines remain at 200% FPL.[735] Illinois LIHEAP and IHWAP income eligibility guidelines are set by the Department of Commerce and Economic Opportunity and are shown in ~~Table 8-8.~~Table 8-8.[736]

~~Table 8-8: Eligibility Guidelines for LIHEAP and IHWAP in Illinois~~

2024 Program Year Illinois LIHEAP and IHWAP eligibility		
Household Size	**30 Day Income**	**Annual income (200% of FPL)**
1	$2,430	$29,160
~~2~~	**~~$3,287~~**	**~~$39,440~~**
3	$4,143	$49,720
4	$5,000	$60,000
5	$5,857	$70,280
6	$6,713	$80,560
7	$7,570	$90,840
8	$7,775	$93,298

Although many households who qualify for LIHEAP and IHWAP will meet the 80% AMI eligibility guidelines of Illinois Solar for All, there are certain household sizes in particular counties where ~~200% of FPL~~the LIHEAP or IHWAP income guidelines exceeds the local 80% AMI. The Program Administrator will still accept proof of LIHEAP or IHWAP approval as documentation of income eligibility, but with additional verification with DCEO's Office of Community Assistance to confirm household income eligibility to reduce inconvenience to the customer or the Approved Vendor. Table 8-8 below shows the LIHEAP and IHWAP income guidelines for the 2024-25 and 2025-26 Program Years. The tables in Appendix F compare ~~HUD~~ILSFA's eligibility levels to ~~2023-2024~~2025-2026 LIHEAP ~~and IHWAP income~~ eligibility levels.

Table ~~8~~8: Eligibility Guidelines for LIHEAP in Illinois

Illinois LIHEAP Eligibility by Program Year				
-	2025		2026	
Household Size	**30 Day Income (200% of FPL)**	**Annual income (200% of FPL)**	**30 Day Income (60% SMI)**	**Annual income (60% SMI)**
1	$2,510	$30,120	$3,332	$39,979
2	$3,407	$40,880	$4,357	$52,281
3	$4,303	$51,640	$5,382	$64,582
4	$5,200	$62,400	$6,407	$76,884

[735] Illinois Department of Commerce and Economic Opportunity, "Home Weatherization," https://dceo.illinois.gov/communityservices/homeweatherization.html.

[736] Illinois Department of Commerce and Economic Opportunity, "Community Assistance, Energy Efficiency and Infrastructure," ~~https://dceo.illinois.gov/communityservices.html~~https://dceo.illinois.gov/communityservices/utilitybillassistance/howtoapply.html.

5	$6,097	$73,160	$7,432	$89,185
6	$6,993	$83,920	$8,457	$101,486
7	$7,890	$94,680	$8,649	$103,793
8	$8,427	$101,127	$8,842	$106,099
9	$8,611	$103,326	$9,034	$108,406
10	$8,794	$105,524	$9,226	$110,712
11	$8,977	$107,723	$9,418	$113,019
12	$9,280	$111,360	$9,611	$115,326

Note. SMI refers to the State Median Income used to determine eligibility. FPL refers to the Federal Poverty Level used to determine eligibility. Both values originate from the Federal Poverty Guidelines published by the U.S. Department of Health and Human Services.

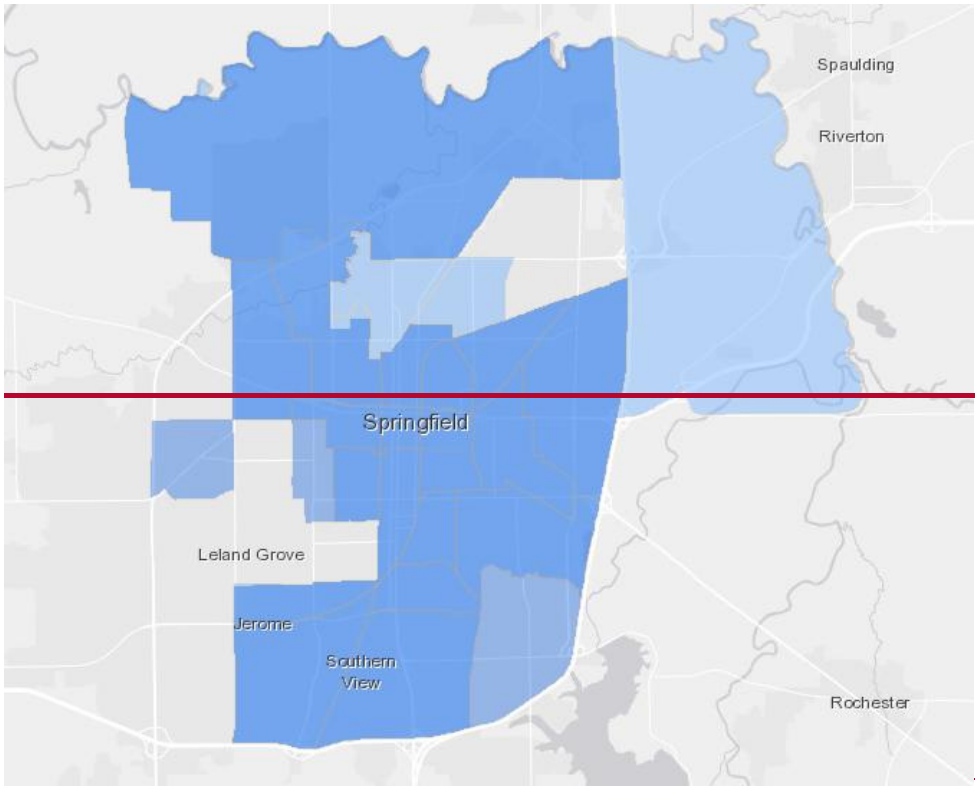
Note. In Program Year 2026, for households larger than 12 members, the maximum income eligibility criteria is based on 150% FPL.

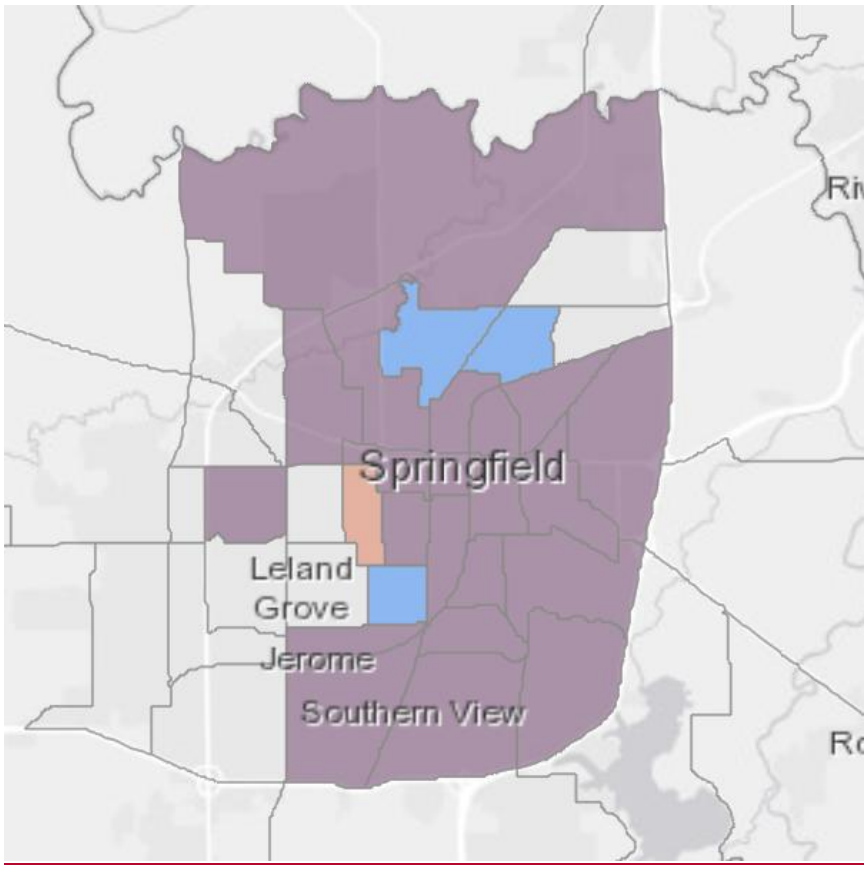
Another approach would be to identify income-eligible customers by geographic area rather than by individual household income. The Agency previously used HUD's "Qualified Census Tracts" ("QCTs"), which have at least 50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more, along with ~~subscriber~~participant affidavits attesting household income as a streamlined method for determining eligibility for income-eligible community solar subscribers. In its Final Order approving the 2022 Long-Term Plan,[737] the Commission directed the Agency to expand this geographic eligibility method for income-eligible community solar to include census tracts where 50% of the households earn no more than 80% of AMI, to align with the Illinois Solar for All standard. The sections below on income verification reflect that change.

The Income-~~Eligibility~~ Eligible Communities map on the Illinois Solar for All website was updated based on updated ~~2020~~2023 US Census data and released on ~~June 1, 2023.~~July 14, 2025. As an example, ~~Figure 8.3~~Figure 8-6 below shows the determined ~~environmental justice~~income-eligible communities in Springfield from both the previous and updated ~~environmental justice~~ Income-Eligible Communities maps, which are both recognized for the ~~2023-2024~~2025-26 Program Year.

[737] See Final Order-, ICC Docket No. 22-0231 at 125, (Jul. 14, 2022).

Figure 8-6~~3~~: Springfield Income-Eligible Communities





Source: ILSFA website, Income-~~Eligibility~~Eligible Communities map.[738]

8.10.3.2 ~~8.10.3.2~~ Determining Income Eligibility

The Agency accepts several options for determining income eligibility for the Illinois Solar for All Program.

For projects that participate in the Residential Solar (Small and Large) sub-programs, verification of income should be done at the household resident level. This can be done in several ways.

For buildings with between one and four units, household income can be verified by one of the following means:

- Review of the most recent federal income tax returns
- Income verification through a third-party income verification system
- Verification of participation in another income-eligible energy program (such as LIHEAP or state-funded IHWAP), in HUD's housing assistance programs where the income eligibility standard is 80% of AMI or lower for that participant, or in other benefits programs where the income eligibility limit is 80% of AMI~~.~~
- Self-attestation of meeting income guidelines for participants residing in an income-eligible community, defined as a census tract where at least 50% of residents earn no more than 80% of AMI

Additionally, while the Agency generally expects an Illinois Solar for All Approved Vendor to verify a potential income-eligible community solar subscriber's income through one of the methods described above, the Agency recognizes that some potential subscribers would prefer to have their income verified independently of their community solar subscription. In such cases, the potential subscriber may request income verification directly through the Program Administrator and, if approved, that verification would remain valid for ~~12~~18 months. The Program Administrator would provide the potential subscriber with a verification letter that could be provided to the Approved Vendor.[739]

In litigation surrounding the 2024 Plan, stakeholders argued for the addition of a self-attestation option for income verification in ILSFA. In its Final Order, the Commission determined that "[c]ustomers participating in the Bright Neighborhoods Pilot Program who live within HUD Qualified Census Tracts (QCTs) will have an option to sign an affidavit confirming they that they make less than 80% Area Median Income."[740] Additionally, the Commission directed the IPA to evaluate the practical effect of the expansion of self-attestation to the Bright Neighborhoods Pilot Program and provide a recommendation on whether to incorporate self-attestation in the next Long-Term Plan. In the 2024-25 Program Year, the Bright Neighborhoods Pilot Program completed income verification for a total of twenty-five participants, with five of those being verified through the self-attestation option. The ILSFA Program Administrator noted that self-attestation was a much simpler and condensed process,

[738] ~~https://elevate.maps.arcgis.com/apps/webappviewer/index.html?id=924cfbc202f24e22a88f07f21423fad0~~ See: https://experience.arcgis.com/experience/43b890a0212946de93fced8285d5e38e/.

[739] See Final Order at 108, ICC Docket No. 19-0995 (Feb. 18, 2020).

[740] Final Order at 104, ICC Docket No. 23-0714 (Feb 20, 2024).

for both the Approved Vendor and participant since income verification was completed within a few days.

After evaluating the practical effect of self-attestation in the Bright Neighborhoods Pilot Program and the stakeholder feedback received in June 2025, the Agency proposes to expand the self-attestation option for participants in the Residential Solar (small) sub-program where the participant resides in an income-eligible community.[741] This process would allow participants to provide a signed affidavit attesting that they satisfy income eligibility. While there are other state solar programs that allow affidavits to verify household income, those programs offer lower incentives than ILSFA and often feature higher income eligibility thresholds than ILSFA's 80% AMI income guidelines. Given that ILSFA provides greater REC incentives and higher savings for participants than that of comparable programs utilizing self-attestation, the Agency also proposes to implement an audit process to ensure ILSFA's income-eligibility standards are upheld. The Agency is considering selecting a random set of projects using a random selection generator program, and the households served by those projects would be required to document their income for verification prior to Part I approval.

The IPA will seek input from stakeholders before finalizing the self-attestation audit process. Recourse for failing the audit process will be denial of the project, with a referral to Illinois Shines for the participant.

The Agency has previously received comments suggesting streamlining of the income verification process, particularly for potential participants that demonstrate household-level third-party qualification such as LIHEAP or IHWAP. Establishing income eligibility is a fundamental part of Illinois Solar for All, and the Agency will continue to work with the Program Administrator and stakeholders to identify ways to simplify the income verification process. ~~However, the present~~

The current approach offers a variety of options for verifying a household's income to provide flexibility and accommodate customers' various income documentation availability while maintaining Program integrity and performing due diligence of participant eligibility. The Agency is aware that some other state solar programs ~~that~~ only require affidavits to verify household income~~. The Agency recognizes~~, but that those programs are often offering community solar savings, as opposed to incentives for distributed generation systems, and do not offer as high a savings ~~requirements~~requirement as those that are required by ILSFA. The benefits to households are at a much higher level based on their eligibility in ILSFA and the size of those incentives warrants a robust income verification process.

~~In the litigation surrounding the approval of this 2024 Plan, objections were filed seeking the addition of a self-attestation option for income verification in ILSFA. In its Final Order, the Commission found that it would be reasonable to explore the implications of income verification through the Bright Neighborhoods Pilot Program.[742] More specifically, the Commission required that "[c]ustomers participating in the Bright Neighborhoods Pilot Program who live within HUD Qualified Census Tracts (QCTs) will have an option to sign an affidavit confirming they that they make less than 80% Area Median Income."[743] The Commission further concluded that the Agency should evaluate the~~

[741] An "income-eligible community" is defined as a census tract where at least half of households are not exceeding 80% of AMI.

[742] ~~Final Order at 104, ICC Docket No. 23-0714 (Feb, 20, 2024).~~

[743] ~~Id.~~

~~practical effect of the expansion of self-attestation to the Pilot and provide recommendations on whether to incorporate self-attestation in the next Long-Term Plan.~~

For two- to four-unit buildings, at least two of the households in the building must qualify. For a multi-family building (five or more units), either at least 50% of the households must qualify, or the building owner may demonstrate that the building meets the definition of "affordable housing" contained in the Illinois Affordable Housing Act, namely:

> *"Affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30% of the maximum allowable income as stated for such households as defined in this Section.*[744]

In addition, participation in energy efficiency programs that also have an income eligibility requirement that is equal to or less than 80% of AMI may also be considered a means of qualifying a multi-family building.

For residential buildings of two or more units, the building owner will be required to agree to maintain at least half the units as affordable housing for a period of ten years. For income-eligible community solar projects, the Agency recognizes that transaction costs of proving income eligibility compared to the value of the incentive may be higher than for an installation of a project on-site, and will therefore implement a streamlined income verification approach:

- A subscriber can be verified as income-eligible via the same provisions used for the Low-Income Distributed Generation Incentive sub-program.
- A subscriber can be verified as income-eligible if that subscriber resides in a census tract where at least 50% of residents earn no more than 80% of the AMI and provides a signed affidavit that they meet the income qualification level.[745]
- For master-metered five-unit and larger residential buildings, either at least 50% of the tenants must be verified as income-eligible, or the building must be demonstrated to meet the definition of "affordable housing" contained in the Illinois Affordable Housing Act.~~37~~[746] In addition to projects being eligible based on household income, subscriptions for homes or buildings that qualify for US Department of Housing and Urban Development ("HUD") Project-Based Vouchers or Project-Based Rental Assistance (which are programs for housing units dedicated to income-eligible tenants) also qualify. The income qualification levels required for participation in these programs is lower than income requirements for the Illinois Solar for All Program.

It is the responsibility of the Illinois Solar for All Approved Vendor to track subscribers and document income eligibility for community solar projects. Approved Vendors will be required to report to the Agency on subscription rates ~~quarterly.~~following the project's first year of energization and annually after the first year. Illinois Solar for All Approved Vendors will not be required to verify that existing

[744] See 310 ILCS 65/3(e). Note that the definition of low-income household contained in that Act mirrors the definition used for Illinois Solar for All, and that very low-income households have an income standard that is even lower.

[745] Previously, this option had only been open to those living in HUD Qualified Census Tracts, in which at least 50% of residents earn less than 60% of AMI. The 2022 Long-Term Plan expanded this verification option to those living in a census tract where at least 50% of residents earn less than 80% of AMI, per the ICC Final Order approving that Plan. See Docket No. 22-0231, Final Order dated July 14, 2022 at 122.

[746] 310 ILCS 65/3(e).

subscribers continue to meet the income-eligibility requirements, but must verify that new subscribers over time ~~will be required to~~ meet those requirements.

8.11 Consumer Protections

While the robust consumer protections detailed in Chapter 9 apply to both the Illinois Solar for All Program and Illinois Shines, several factors require additional consumer protections unique to the Illinois Solar for All Program. Illinois Solar for All Approved Vendors must agree to the following additional provisions for income-eligible customers.

- In order to "ensure tangible economic benefits flow directly to program participants," Illinois Solar for All Approved Vendors must ~~also~~ verify that there are no ~~up-front~~upfront payments for residential distributed generation program participants and no ~~up-front~~upfront subscription fees for community solar projects (with the exception of nominal fees to purchase shares in community solar projects organized as cooperative~~).~~, or for Residential Solar (Large) projects where the building owner purchases the system and refrains from passing upfront costs to building residents). Illinois Solar for All Approved Vendors must ~~also~~ provide documentation to both the program participant(s~~),~~) and to the Program Administrator explaining how the project or community solar subscription will result in a cash-flow positive experience for the participant(s) (including an estimate of the monthly savings) and specifically, ensuring that the savings accruing to each participant, net of any ongoing participation fees, are at least 50% of the value produced by the solar system through avoided usage or net metering credits.[747]

- For distributed generation projects, a site suitability report is required to ensure that projects are being installed on properties that will not need substantial structural, roofing or electrical repairs. If repairs are needed, the Illinois Solar for All Approved Vendor must identify the plan for the repairs and how they will be paid for, ensuring that such costs do not place an unsustainable financial burden on the participant. While the site suitability report does not need to be completed prior to the program participant entering into a contract with the Illinois Solar for All Approved Vendor (or their sub-contracted installer), if the site suitability report indicates that the project is not viable, the contract must contain a no-cost cancellation provision.

- Illinois Solar for All Approved Vendors ~~(or their~~and Designees~~)~~ are required to provide ~~standard disclosures of all costs~~each customer with a completed Disclosure Form prior to the execution of the customer contract. Customers must sign the Disclosure Form before they sign the contract. Section 9.5 of this Long-Term Plan provides additional details on the requirements for Disclosure Forms.

- Marketing and contractual materials must be in the language requested by the customer. The Agency reaffirms its commitment to develop program ~~participants. Program participants may be presented with the~~ materials in Spanish and other languages to better reach underserved communities. Approved Vendors will be expected to provide the ILSFA program brochure and disclosure ~~form~~forms in the participant's preferred language, if available from the Program Administrator.

[747] See Final Order at 151, ICC Docket No. 22-0231 (Jul. 14, 2022).

- Contracts for Illinois Solar for All distributed generation and ~~installation~~community solar customers, must comply with certain contract ~~contemporaneously~~requirements, included in Appendix H. At present, and ~~following the explanation of standard disclosures~~subject to ~~the customer, those documents may also be executed contemporaneously. To provide an additional consumer protection safeguard,~~change by the ~~customer's~~IPA between planning cycles, these contract requirements in part include:

    - Residential solar sub-program customers have the right to ~~cancellation is~~cancel their contract within 14 ~~calendar~~ days~~.~~ of contract execution. For contracts related to subscriptions to Low-Income Community Solar Project Initiative projects or Low-Income Community Solar Pilot Procurement projects, customers ~~shall~~ have the right to cancel the subscription agreement within three calendar days after its initial consummation, and to cancel subscriptions at any time with a 30-day notice.

    - Financing amounts, terms, and conditions must be based on an assessment of the program participant's ability to repay the debt, as defined by Regulation Z, which is a federal rule that implements aspects of the Truth in Lending Act and the Dodd-Frank Act.[748]

    - For income-eligible customers, loans should not be secured by the program participant's home or home equity. ~~While such~~Although unsecured loans may entail a higher interest rate, especially for customers with low credit scores or little credit history, they avoid the risk of liens and foreclosures for customers who default on their loans.[749]

    - Contracts for financial products must offer terms that include forbearance. If a program participant can show good cause in a request for forbearance, financers must offer a) suspension of total payments for up to three months, b) a suspension of interest payments for up to six months, or c) a reduction in interest rates for up to twelve months. Missed revenues may be recovered later in the stage of the contract, but no interest may be applied.

    - Contracts may not include prepayment penalties.

    - ~~Lease~~For lease or PPA agreements that allow for ownership of the system to be fully transferred to the participant prior to the 15-year term of the REC agreement ~~will be allowed only in circumstances where full system warranties and full coverage of operations and maintenance needs are included at no additional cost. In these instances~~, the first-year savings must still meet the minimum requirement, and the

[748] See Consumer Financial Protection Bureau, April 10, 2013. *Ability-to-Repay and Qualified Mortgage Rule, Small Entity Compliance Guide*, http://files.consumerfinance.gov/f/201304_cfpb_compliance-guide_atr-qm-rule.pdf. Under the regulation (12 C.F.R. § 1026.43, issued under authority of 15 U.S.C. § 1639c), creditors generally must consider eight underwriting factors: (1) current or reasonably expected income or assets; (2) current employment status; (3) the monthly payment on the covered transaction; (4) the monthly payment on any simultaneous loan; (5) the monthly payment for mortgage-related obligations; (6) current debt obligations, alimony, and child support; (7) the monthly debt-to-income ratio or residual income; and (8) credit history.

[749] For example, the Illinois Energy Efficiency Loan Program offers unsecured loans at moderate interest rates through on-bill financing, but this is only available for certain energy efficiency measures. See: http://programs.dsireusa.org/system/program/detail/5152.

lifetime savings will be calculated based on a 25-year life of the system. For Energy Sovereignty on-site projects intended to be transferred to the customer after 5-7 years, contract terms may include the following: the timing of the transfer, the amount of Illinois Solar for All funds held in escrow to pay for the transfer, the purchase price of the system at the time of expected transfer, and a transfer of warranties to the new owner. ~~Contract~~Energy Sovereignty project contract terms must be ~~approved~~reviewed by the Program Administrator at the time of project application.

- All Illinois Solar for All contracts (including purchased, lease, PPA, and Energy Sovereignty projects) must include full system warranty, as well as certain operations and maintenance guarantees for the duration of the REC Contract or 15 years, at no additional cost to participants. Updated ILSFA disclosures include customer instructions for insuring the system. Further details of the warranty requirements are clarified in the Section XI.A of the Consumer Protection Handbook.[750]
- For Energy Sovereignty community solar projects where individual panels are owned by an eligible customer, the contract should include the purchase price of the panels net of Illinois Solar for All incentives. If ownership is transferred after tax benefits are captured, the contract should specify where applicable: the timing of the transfer, the price of the system at the time of transfer, funds held in escrow for the buyer, plans for ongoing monitoring and maintenance after the transfer of ownership, and other factors described for distributed generation projects.

- ~~Marketing and contractual materials must be in the language requested by the customer. The Agency reaffirms its commitment to develop program materials in Spanish and other languages to better reach underserved communities. Approved Vendors will be expected to provide the ILSFA program brochure and disclosure in the participant's preferred language, if available from the Program Administrator.~~

- Contracts must allow a grace period of at least seven calendar days after the customer payment due date before late fees are charged.

- ~~All Illinois Solar for All contracts must include full system warranty, as well as operations and maintenance guarantees for the duration of the REC Contract or 15 years, at no additional cost to participants. Updated ILSFA disclosures include customer instructions for insuring the system. Further details of minimum standards for scope are clarified in the ILSFA Approved Vendor Manual with feedback from stakeholders.~~

~~In the filed 2024 Long-Term Plan, the Agency proposed in Section 9.5.2 that community solar projects participating in Illinois Shines and also seeking to serve low-income customers in order to receive the federal Low-Income Economic Benefit Bonus Credit must provide any potential community solar customers identified as income-qualified with a one-page notice that informs the customer about opportunities to participate in community solar through the Illinois Solar for All Program. Following~~

[750] See: https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Consumer-Protection-Handbook.pdf

~~an objection and litigation over this proposal, the Commission stated that it was concerned that Illinois Shines AVs would be unable to sufficiently explain the ILSFA program to potential customers, it was not convinced that this would increase awareness or enrollment in ILSFA, and expressed interest in refining this proposal.[751] In so doing, the Commission explained it was concerned with the low enrollment rates of ILSFA residential subprograms for distributed generation, and directed the IPA to explore alternative solutions and marketing options that would educate the intended and eligible communities of ILSFA. The Commission directed the Agency to explore these alternatives through a stakeholder process and encouraged the IPA to use that process to "examine reforms to ILSFA that would increase awareness and participation." In accordance with the Commission's Order, the Agency will propose "enrollment solutions" in the next iteration of the Long-Term Plan.~~

8.12 ~~8.12~~ Environmental Justice Communities

The IPA Act directs the Agency to define and provide special consideration to Environmental Justice Communities in implementing the Illinois Solar for All Program. The IPA Act sets a goal that at least 25% of funds for the Low-Income Distributed Generation Incentive, the incentives for non-profit and public facilities, and Low-Income Community Solar projects sub-programs "be allocated to projects located in environmental justice communities."[752]

Through changes to Illinois law made by Public Act 102-0662, other programs and state agencies now rely on the definitions of environmental justice communities developed by this methodology for their determinations of program and funding eligibility. Accordingly, the Agency will be cautious about any changes to the determination of environmental justice communities that would have cascading impact on those other provisions.

The following sections include definitions of terms, a methodology for determining which Illinois communities should be considered Environmental Justice Communities, and how the Agency determined to implement the relevant provisions of the Act. In developing the Illinois Solar for All program participation requirements, the Agency committed to consulting with stakeholders and relevant state agencies, including the Illinois Commission on Environmental Justice and the Illinois Environmental Protection Agency ("IEPA"), to establish specific values and designate specific communities as Environmental Justice Communities; the results of that process are outlined within this section.

8.12.1 ~~8.12.1~~ Definitions

Section 1-56(b) of the IPA Act as amended by Public Act 102-0662 states that "the Agency shall define 'environmental justice community' based on the methodologies and findings established by the Agency and the Administrator for the Illinois Solar for All Program in its initial long-term renewable resources procurement plan and as updated by the Agency and the Administrator for the Illinois Solar for All Program as part of the long-term renewable resources procurement plan update." The term "environmental justice" is not defined in the IPA Act or in other Illinois statutes, but it is helpful to define "environmental justice" in order to define "environmental justice communities."

The Environmental Justice Act, the 1997 legislation that created the Illinois Commission on Environmental Justice, found that:

~~[751] Final Order at 117, ICC Docket No. 23-0714 (Feb, 20, 2024).~~

[752] 20 ILCS 3855/1-56(b)(2)(A), (B), (C~~.~~), and (E)

> *(i) the principle of environmental justice requires that no segment of the population, regardless of race, national origin, age, or income, should bear disproportionately high or adverse effects of environmental pollution;*
>
> *(ii) certain communities in the State may suffer disproportionately from environmental hazards related to facilities with permits approved by the State; and*
>
> *(iii) these environmental hazards can cause long-term health effects.*[753]

The Illinois EPA defines the term "environmental justice " as follows:

> *"Environmental Justice" is based on the principle that all people should be protected from environmental pollution and have the right to a clean and healthy environment. Environmental justice is the protection of the health of the people of Illinois and its environment, equity in the administration of the State's environmental programs, and the provision of adequate opportunities for meaningful involvement of all people with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.*[754]

The Illinois EPA has also defined what it terms “an area of EJ concern” based on demographic factors, as “a census block group with a low-income and/or minority population greater than twice the statewide average.” The IEPA “uses a geographic information system (GIS) mapping tool called EJ Start to determine where areas of EJ concern are within the state.[755] When a permitting action or other issue arises in an area of EJ concern, the Illinois EPA conducts enhanced public outreach.”[756] Thus, the Illinois EPA takes a preemptive approach, identifying areas that may be more vulnerable to environmental hazards and including the community before potential pollution occurs.

The United States Environmental Protection Agency ~~defines~~has historically defined an “overburdened community” under both social and environmental terms ~~as:~~. The U.S. EPA definition of “overburdened community” was implemented in both the EJ Glossary, last updated in January 2021, and Plan EJ 2014 pursuant to Executive Order 12898 which directs the U.S. EPA to address environmental justice needs in minority and low-income populations. Both the EJ 2020 Glossary and Plan EJ 2014 were removed from the U.S. EPA website and last hosted an official definition in 2025.

The U.S. EPA rescinded responsibility in July 2025 to define criterion for overburdened communities, though it maintains the following adjusted definition of “overburdened communities” for consistency with Executive Order 12898 and the U.S. EPA goals in Plan EJ 2014 to develop a nationally consistent approach for collecting, maintaining, and using geo-spatial information relevant to overburdened communities:[757]

> *Minority, low-income, tribal, or indigenous populations or ~~geographic locations~~communities in the United States that potentially experience disproportionate environmental harms and risks~~. This disproportionality can be as a result of~~ due to*

[753] 415 ILCS 155/5.

[754] Illinois EPA web site, “Environnemental Justice Policy,” ~~https://epa.illinois.gov/topics/environmental-justice/ej-policy.html~~ https://epa.illinois.gov/topics/environmental-justice/ej-policy.html.

[755] See: https://experience.arcgis.com/experience/aa364c77db684dfa92afa5094b69f6ff.

[756] Id.

[757] See: https://nepis.epa.gov/Exe/ZyPDF.cgi/P100DFCQ.PDF?Dockey=P100DFCQ.PDF.

> *exposures or cumulative impacts or greater vulnerability to environmental hazards~~, lack of opportunity for public participation, or other factors. Increased~~. This increased vulnerability may be attributable to an accumulation of negative ~~or~~and a lack of positive environmental, health, economic, or social conditions within these populations or ~~places. The term describes situations where multiple factors, including both environmental and socio-economic stressors, may act cumulatively to affect health and the environment and contribute to persistent environmental health disparities~~communities.*[758]

Both the IEPA and ~~US~~U.S. EPA have developed analytical tools based on their definitions of EJ communities. The IEPA's EJ ~~START~~Start is a Geographic Information Systems demographic screening tool developed by IEPA staff that identifies regions with high minority population and/or income-eligible population. IEPA also adds a one-mile buffer around each regulated facility as a simplified way to identify potential local environmental impacts. It draws from the Census Bureau's American Community Survey 5-year estimates (2016-2020) and is updated annually.

~~The US EPA tool is called EJSCREEN.~~[759] ~~It~~The U.S. EPA tool is called EJScreen and was removed from the U.S. EPA website on February 5, 2025 following Executive Order 14151.[760] While removed from public access, the most recent version of EJScreen, published in July 2024, was archived by public organizations, including both the Illinois Power Agency and the Public Environmental Data Partners who are a coalition committed to preserving public access to federal environmental data.[761] The first iteration of EJScreen was released to the public in 2015, and uses standard and nationally-consistent data to identify communities with greater risk of exposure to pollution based on 11 environmental indicators that measure potential exposure, hazard/risk, and proximity, including traffic proximity, particulate matter, and proximity to superfund sites. These indicators are combined with demographic data from the Census Bureau, enabling users to identify areas with minority or low-income populations who also face potential pollution issues.

While these tools are useful, they do not holistically address all aspects of environmental justice. For example, ~~EJSCREEN~~EJScreen evaluates individual environmental indicators but does not look at cumulative impacts.

The most rigorous tool for analyzing impacted communities is the California Communities Environmental Health Screening Tool ("CalEnviroScreen") from the California Office of Environmental Health Hazard Assessment ("OEHHA").[762] CalEnviroScreen compiles data on ~~12~~13 indicators of pollution burden and 8 population characteristics collected at the Census tract level. It then weights certain factors to develop a score for each area. High scoring areas are then considered

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[758] ~~US EPA, "EJ 2020 Glossary," https://www.epa.gov/environmentaljustice/ej-2020-glossary.~~ U.S. EPA, "What is the definition of "overburdened community" that is relevant for EPA Actions and Promising Practices?" https://www.epa.gov/caa-permitting/what-definition-overburdened-community-relevant-epa-actions-and-promising-practices.

[759] ~~See: https://ejscreen.epa.gov/mapper/.~~

[760] See: https://www.federalregister.gov/documents/2025/01/29/2025-01953/ending-radical-and-wasteful-government-dei-programs-and-preferencing

[761] See: https://pedp-ejscreen.azurewebsites.net/.

[762] California Office of Environmental Health Hazard Assessment, *California Communities Environmental Health Screening Tool (CalEnviroScreen)*, ~~https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-version-20.~~ https://oehha.ca.gov/sites/default/files/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf.

eligible for a number of state policies, including disposition of some of the revenues from the state cap-and-trade program created under Assembly Bill 32.

Table 8-9: Summary of CalEnviroScreen ~~3~~4.0 Identification Methodology

Pollution Burden	Population Characteristics
Exposures	***Sensitive populations***
Ozone Concentrations PM2.5 Concentrations Diesel PM Emissions Drinking Water Contaminants Pesticide Use Toxic Releases from Facilities Traffic Density	Asthma Emergency Department Visits Low Birth Weight Infants Cardiovascular disease (emergency department visits for heart attacks)
Environmental effects	***Socio-economic indicators*** [A]
Cleanup Sites Groundwater Threats Hazardous Waste Impaired Water Bodies Solid Waste Sites and Facilities	Educational Attainment Housing burdened low income households Linguistic Isolation Poverty Unemployment
[A] *California law prohibits the use of race as a factor in CalEnviroScreen.* *Source: OEHHA.*	

Pollution Burden	Population Characteristics
Exposures	***Sensitive populations***
Ozone Concentrations PM2.5 Concentrations Diesel PM Emissions Drinking Water Contaminants Pesticide Use Children's Lead Risk from Housing Toxic Releases from Facilities Traffic Impacts	Asthma Emergency Department Visits Low Birth-Weight Infants Cardiovascular Disease (Emergency Department Visits for Heart Attacks)
Environmental effects	***Socioeconomic indicators*** [A]
Cleanup Sites Groundwater Threats Hazardous Waste Impaired Water Bodies Solid Waste Sites and Facilities	Educational Attainment Housing-Burdened Low-Income Households Linguistic Isolation Poverty Unemployment

[A] *California law prohibits the use of race as a factor in CalEnviroScreen scoring.*
Source: OEHHA.

The CalEnviroScreen approach is an attractive way to consider defining environmental justice communities but the Agency notes that the development of it was a multi-year, multi-million dollar undertaking. Therefore, for the next update to Environmental Justice Communities for the 2026-27 Program Year, the Agency will ~~utilize~~continue utilizing a streamlined approach that takes the ~~concept~~scoring process of CalEnviroScreen and ~~simplifies it for use in Illinois through using readily available~~archived data from the U.S EPA's ~~EJSCREEN~~EJScreen tool~~. CalEnviroScreen does not account for race in its calculations, but by using data from EJSCREEN, the Agency will be able to do so.~~, described further below in Section 8.12.2.

The federal government's U.S. Digital Service, working with the Council on Environmental Quality has developed the Climate and Economic Justice Screening Tool ("CEJST") to guide federal programs under the Justice40 initiative (Executive Order 14008). The tool expands and improves ~~EJSCREEN, featuring interactive maps with indicators to assist agencies in defining and~~ EJScreen for the purpose of identifying disadvantaged communities. CEJST was launched on November 22, 2022.~~[763] The~~ and removed from the Council of Environmental Quality's website on January 22, 2025.[764] In future updates to the Environmental Justice Communities Map, the IPA will consider ~~utilizing~~the technical assets of both EJScreen and CEJST ~~in future Plan updates~~ to replace the current data ~~from EJSCREEN~~source for the Environmental Justice Communities Map.

8.12.2 ~~8.12.2~~ Approach for Defining Environmental Justice Communities

~~The Agency determined which areas qualify as Environmental Justice Communities by analyzing data from Illinois census block groups[765] for the following environmental indicators, as described by the EJSCREEN Tool:[766]~~

- ~~National-Scale Air Toxics Assessment (NATA) air toxics cancer risk~~
- ~~NATA respiratory hazard index~~
- ~~NATA diesel PM~~

The Agency determines which areas qualify as Environmental Justice Communities by analyzing data from Illinois census block groups[767] for environmental, exposure, and socioeconomic indicators. Under the Draft 2026 Long-Term Plan, the Agency proposes to implement adjustments to four proximity indicators and to the percentile distribution of Environmental Justice Communities. Although data from EJScreen was discontinued by U.S. EPA, it continues to be the best resource for the purpose of designating Environmental Justice Communities. Using EJScreen data offers continuity with previous analyses and stakeholder engagement, thereby mitigating disruption to stakeholders from substantial data changes. Additionally, EJScreen remains a viable choice because of the recency of its data from July 2024 compared to alternative data options considered by the Agency. However,

~~[763] See: https://www.whitehouse.gov/ceq/news-updates/2022/11/22/biden-harris-administration-launches-version-1-0-of-climate-and-economic-justice-screening-tool-key-step-in-implementing-president-bidens-justice40-initiative/.~~

[764] See: https://www.whitehouse.gov/ceq/news-updates/2022/11/22/biden-harris-administration-launches-version-1-0-of-climate-and-economic-justice-screening-tool-key-step-in-implementing-president-bidens-justice40-initiative/.

~~[765] There are approximately 10,000 census block groups in the state of Illinois.~~

~~[766] See: https://www.epa.gov/ejscreen/overview-environmental-indicators-ejscreen.~~

[767] There are approximately 10,000 census block groups in the state of Illinois.

when conducting an analysis of EJScreen data, the Agency identified a number of indicators which suggested either missing or misreported data by virtue of significant increases in the number of zero values for these indicators in the 2024 version compared to the 2018 and 2022 versions of the dataset. Inaccurate data may be a cause for some communities losing out on Environmental Justice Community designation.

As such, the Agency intends to conduct an update to the Environmental Justice Communities Map for the 2026-27 Program Year to more accurately designate Environmental Justice Communities utilizing the most recent EJScreen data available. For subsequent updates to the Environmental Justice Communities Map, the Agency will explore whether alternatives to the discontinued EJScreen data source are available.

The following environmental and exposure indicators collected by EJScreen will be used in the Agency's methodology:[768]

- Diesel particulate matter (NATA)
- Particulate matter
- Ozone
- Nitrogen dioxide (added to EJScreen in 2024)
- Toxic releases to air (added to EJScreen in 2024)
- Traffic proximity and volume
- Lead paint ~~indicator~~
- Proximity to Risk Management Plan sites
- Proximity to Hazardous Waste Treatment, Storage and Disposal Facilities
- Proximity to National Priorities List sites
- ~~Wastewater Dischargers Indicator~~
- Presence of wastewater dischargers
- Presence of underground storage tanks (added to EJScreen in 2024)

The following ~~demographic~~socioeconomic indicators[769] collected by EJScreen are ~~also~~ used ~~by EJSCREEN and were incorporated into~~in the Agency's methodology:[770]

- ~~Percent Low-Income~~
- ~~Percent Minority~~
- Low-income (>200% Federal Poverty Level)
- People of color
- Persons with disabilities (added to EJScreen in 2024)
- Low life expectancy (added to EJScreen in 2024)
- Unemployment (added to EJScreen in 2024)
- Less than high school education
- Linguistic isolation

[768] See: https://www.epa.gov/system/files/documents/2024-07/ejscreen-tech-doc-version-2-3.pdf.

[769] Compared to prior approved Long-Term Plans, the Agency retitled "demographic" indicators to "socioeconomic" indicators in the Draft 2026 Long-Term Plan to align with the terminology used in technical documentation for EJScreen and CalEnviroScreen. While EJScreen added three socioeconomic indicators in 2024, six socioeconomic indicators are unchanged, and the category has been retitled for clerical accuracy.

[770] See https://www.epa.gov/ejscreen/overview-demographic-indicators-ejscreen.

- ~~Individuals under~~Under age 5
- ~~Individuals over~~Over age 64

~~The Agency considered including the following seven indicators that use data not contained in EJSCREEN. These are not available at the same level of detail as the indicators using data from EJSCREEN (more typically they have data at the zip code or county level) and would need to be translated to the block group level. Therefore, the Agency determined in the final methodology that these indicators would be too difficult to incorporate to provide meaningful impact on the evaluation criteria. Namely, these include the following demographic indicators for Sensitive Population Characteristics from the Illinois Department of Public Health:~~

- ~~Asthma Emergency Department Visits~~
- ~~Low Birth Weight Infants~~

~~and the following environmental indicators from the Illinois Environmental Protection Agency:~~

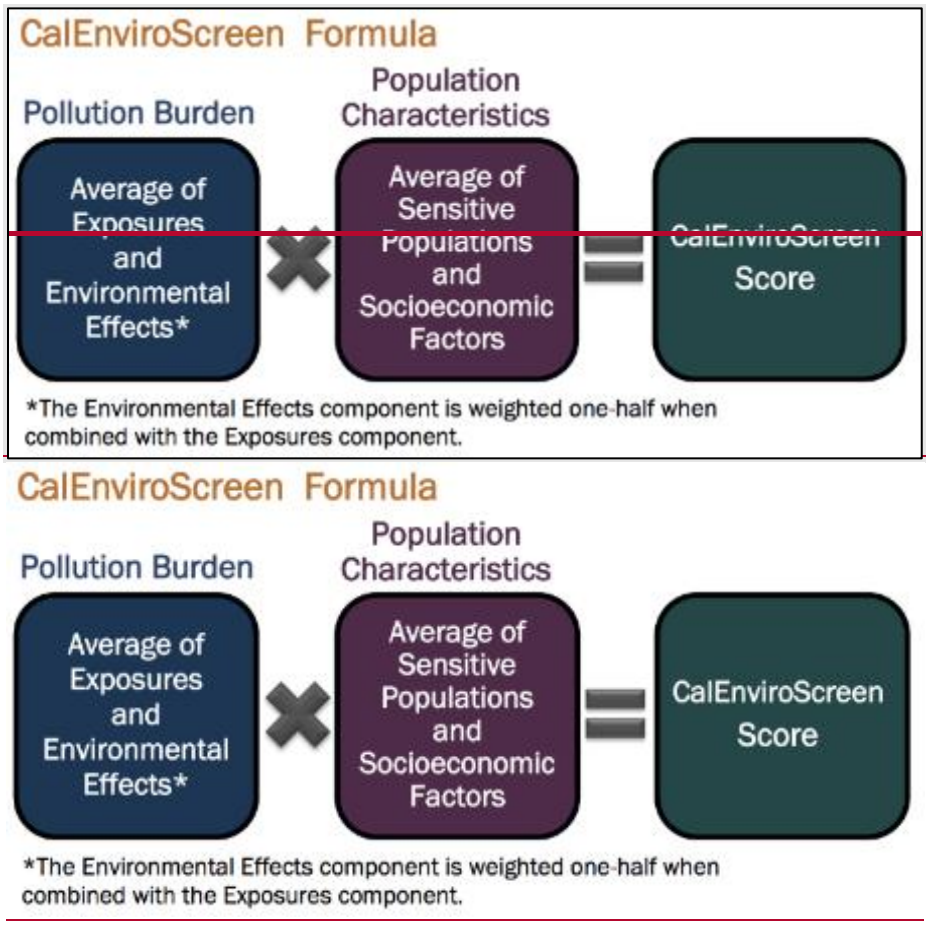
- ~~Drinking Water Watch~~
- ~~Site remediation program~~
- ~~Leaking Underground Storage Tank Incident Tracking~~
- ~~State Response Action Program~~
- ~~Solid Waste Facilities~~

~~Using the eleven~~Four of these environmental indicators—wastewater dischargers, proximity to National Priorities List sites, proximity to Risk Management Plan facilities, proximity to Treatment, Storage, and Disposal facilities—show a substantial increase in null values between the EJScreen datasets from 2018 and 2022, and the EJScreen dataset from 2024. These null values were not found to correlate with specific geographic communities or regions, though they suggest incomplete reporting in 2024. As such, the Agency will continue using these indicators in the analysis of Environmental Justice Communities but will replace these indicators with older, non-zero data versions. To ensure the most recent and accurate data available, the Agency will update the Environmental Justice Communities Map for the 2026-27 Program Year.

The Agency proposes to use the twelve environmental and ~~six demographic~~nine socioeconomic factors listed at the top of this section~~,~~. The 2024 version of EJScreen removed two environmental indicators[771] and began reporting on three environmental indicators and three socioeconomic indicators. As the Agency has historically used the indicator categories available, it will continue to include to maintain the comprehensiveness of the tool. The Agency will then ~~weighted~~weight each factor using an approach adapted from CalEnviroScreen: census block groups ~~were~~are ranked for each environmental and ~~demographic~~socioeconomic indicator, a resulting percentile score determined for each census block group within each indicator, and the percentile scores averaged, resulting in an environmental score and a ~~demographic~~socioeconomic score for each census block group. The two averages ~~were~~will then be multiplied together to determine a single Environmental Justice score for each census block group.

[771] Between the 2022 EJScreen dataset and the proposed use of the 2024 EJScreen dataset, indicators for Air Toxics Cancer Risk and Air Toxics Respiratory Hazard Index were discontinued.

Figure 8-74: CalEnviroScreen Formula



Source: OEHHA

~~Communities~~The Agency proposes in this Draft 2026 Long-Term Plan and in subsequent updates to the Environmental Justice Communities Map, communities with scores in the top 25% across the Illinois service areas of ~~all census block groups statewide are~~ each Regional Transmission Organization ("RTO") operating in the State of Illinois will be defined as Environmental Justice Communities ~~for the purpose of the Illinois Solar for All Program.~~. Previous stakeholder feedback has inquired on the extent to which the EJScreen dataset accurately reflects conditions experienced in rural areas of Illinois. Upon investigation, the Agency determined that the geographic territory of PJM-ComEd and MISO-Zone 4 respectively correlate with variance in socioeconomic and environmental conditions between metropolitan and rural areas. In the spirit of achieving a representative allocation of financial incentives through the Environmental Justice funding carveout and project selection, the Agency will proportion Environmental Justice Communities by designating the top 25% of block groups both in PJM-ComEd and in MISO-Zone 4. This ~~definition~~approach to defining Environmental Justice Communities will be used to target grassroots education funding and incentives for the Low-income Distributed Generation, Non-profits/Public Facilities, and Low-income Community Solar sub-programs.

A community that is not in the top 25% of scores of these RTO service areas and thus ~~is~~ not initially defined as being an Environmental Justice Community may request that the Agency consider

designating that community as such. The Agency will consider requests from community-based organizations, local units of government, or community residents for self-designation as an environmental justice community based on demonstrated quantitative and qualitative environmental and/or socioeconomic factors that show a disproportionate burden and were not adequately captured in the screening defined above. A request for self-designation must be approved through an Environmental Justice Community Self-Designation Process[772] prior to any project application being submitted that seeks to utilize its location in an approved self-designated Environmental Justice Community as part of its project selection. Communities determined to be self-designated will maintain that designation throughout updates to the Environmental Justice Communities ~~map~~Map. As the Environmental Justice Communities ~~map~~Map is updated to accommodate changes to census tract boundaries, the Agency will be mindful of the originally self-designated areas and will attempt to maintain the originally requested areas when applying the updated census tract boundaries.

The Agency notes that this approach focuses on analysis of census block group-level data, and that communities are typically understood by their residents to be defined through geographic, cultural, and other factors that may, or may not, correspond to census block group boundaries. In addition, the ~~US~~U.S. EPA ~~cautions~~cautioned that data in the ~~EJSCREEN~~EJScreen tool is not always reliable at the block group level, and ~~recommends~~recommended that it may be necessary to aggregate up to larger geographic areas in a "buffer report."[773]

The Agency will therefore also consider reasonable adjustments to the borders of ~~environmental justice communities~~Environmental Justice Communities from what is calculated through the census block group analysis, provided this does not create an unacceptable analytical burden.

8.12.3 ~~8.12.3~~ Environmental Justice Community Designations

The Illinois Solar for All Program Administrator undertook the analysis described in Section 8.12.2 in early 2019 prior to the program launch, which included a workshop and an opportunity for written stakeholder comments. ~~The~~The information from that stakeholder process and the resulting interactive map of Environmental Justice Communities~~, as well as information from that stakeholder process, is~~ are available on the Illinois Solar for All website.[774] The map of ~~environmental justice communities~~Environmental Justice Communities will be updated ~~at least on~~in a ~~semiannual basis~~timely manner to reflect any additional approved requests for self-designation.

The ~~EJSCREEN~~EJScreen data used to determine Illinois Solar for All Program-determined Environmental Justice Communities was updated in October 2022~~, and the Environmental Justice Community maps refigured,~~ based on updated data from ~~EJSCREEN~~EJScreen and census tract boundaries~~.~~, and again in June 2024. Previously ~~designated~~approved Self-Designated Environmental Justice Communities ~~will be~~were maintained through ~~this update.~~these updates. To allow for project development cycles that may overlap with these changes, for the ~~2023-2024~~2026-27 program year,

[772] The ~~initial~~ Self-Designation Process developed by the Agency and Program Administrator can be found at: ~~https://www.illinoissfa.com/app/uploads/2019/05/042219EJ-Self-Designation-Process-Final.pdf.~~ https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Final-Environmental-Justice-Community-Self-Designation-Process-English.pdf. The Agency reserves the right to modify this process in the future based on program experience.

[773] EJSCREEN Technical Documentation, at: ~~https://www.epa.gov/system/files/documents/2023-06/ejscreen-tech-doc-version-2-2.pdf~~https://www.epa.gov/system/files/documents/2024-07/ejscreen-tech-doc-version-2-3.pdf.

[774] ~~See: www.illinoissfa.com/environmental-justice-communities.~~ See: https://experience.arcgis.com/experience/78f64b0b7c8a47bf917566098b70a692?org=Elevate.

the ~~initial~~2024 and updated Environmental Justice Community ~~determinations~~designations will both be considered as meeting program Environmental Justice goals and selection points.

Self-Designated Environmental Justice Communities will not expire, and the originally requested boundaries will be maintained throughout updates to the Environmental Justice Community Map that affect census tract boundaries.

Following the updates to the Illinois Solar for All Environmental Justice ~~maps~~Communities Map, the Program Administrator~~,~~ and the Agency ~~explored the scope of changes between the maps and other relevant factors to advise a future proposal of~~advised a regular schedule to update Illinois Solar for All Environmental Justice ~~maps. Because EJSCREEN and US Census data are updated~~Communities Map every five years~~, and ILSFA Environmental Justice maps should not be updated~~ to align with ~~greater~~the frequency ~~than the data is updated~~of updates to EJScreen and US Census data. Though EJScreen has been discontinued without indication of its return, the Agency will continue to update the Environmental Justice ~~maps~~Communities Map every five years, or at the Agency's discretion, following ~~updates of these data sources.~~an update for the 2026-27 Program Year to maintain a reliable cadence for project development cycles. The next update following the 2026-27 Program Year would be anticipated for early ~~2028~~2032.

8.12.4 ~~8.12.4~~ Environmental Justice Communities 25% Goal

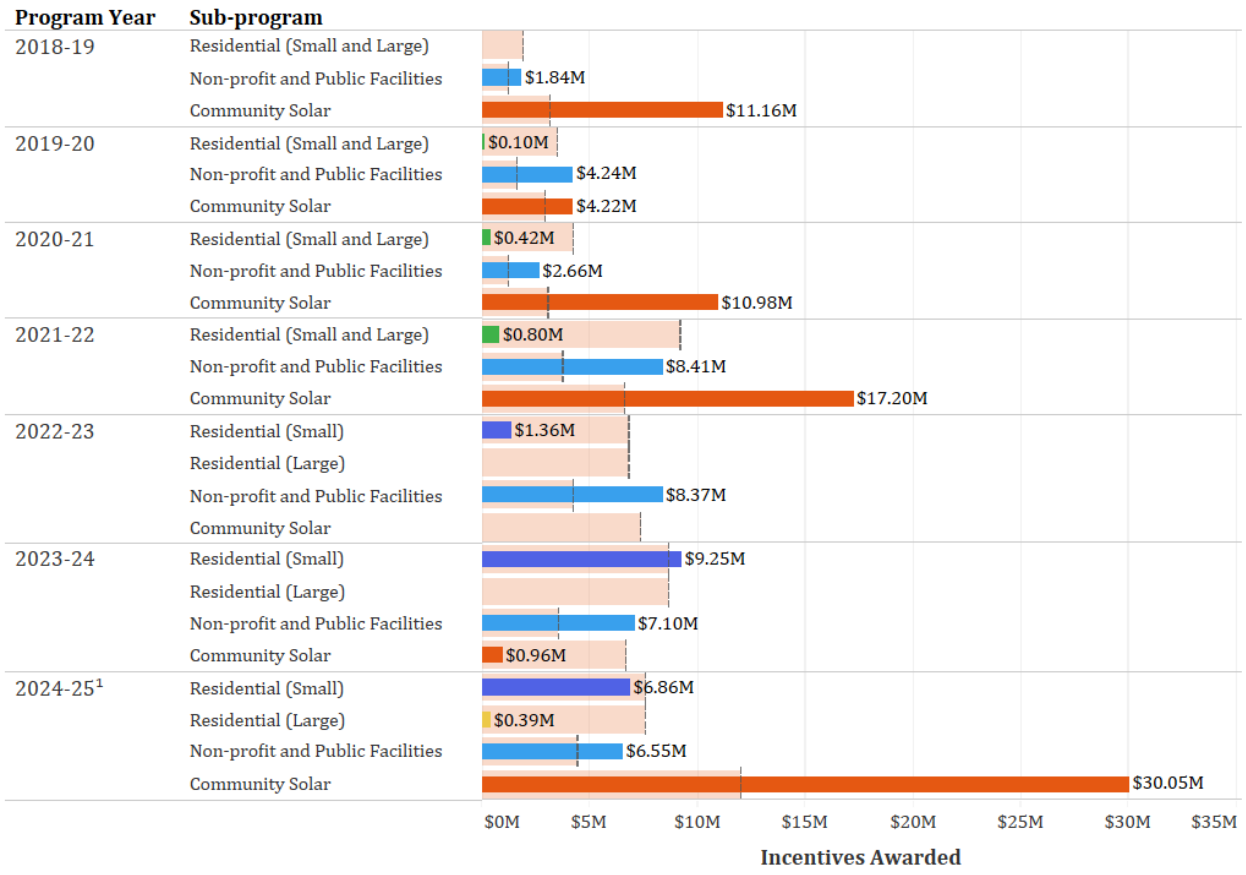
The IPA Act states that "It is a goal of this program that a minimum of 25% of the incentives for this program be allocated to projects located within environmental justice communities."[775]

For all sub-programs, the Agency will reserve 25% of each sub-program's annual budget to support projects in ~~environmental justice communities.~~Environmental Justice Communities. If the 25% of funds in each sub-program are fully allocated to projects in ~~environmental justice communities~~Environmental Justice Communities, then subsequent applicant projects in ~~environmental justice communities~~Environmental Justice Communities would still be eligible using the general available budgets. The 25% reservation of funds for ~~environmental justice communities~~Environmental Justice Communities will be held open within a sub-program until filled within a ~~program year~~Program Year, then reset at the beginning of each new ~~program year~~Program Year.

Combined, the ILSFA projects approved from the initial 2018-2019 ~~program year~~Program Year to the closing of the ~~2022-2023 program year~~2025-26 Program Year, a total of ~~236~~884 ILSFA projects have been developed in ~~environmental justice communities.~~Environmental Justice Communities. EJC carveouts total $~~38,966,499.25~~133,680,341.55.

[775] 20 ILCS 3855/1-56(b)(2).

Figure 8-8: ILSFA Carveout and Incentives for Projects Sited in EJCs by Program Year



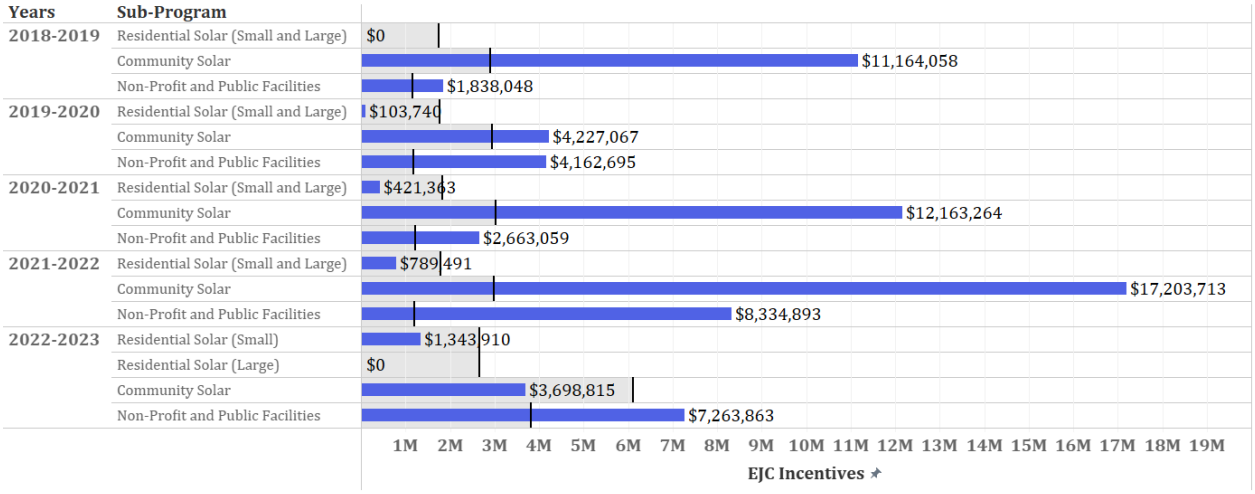
Source: Illinois Solar for All, Illinois Power Agency (July 2025)
Note. The Environmental Justice Community carveout amounts reflected are based on sub-program budgets which include rollover and adjustments during Part II Approval.
Note. Section 1-56(b)(2) sets aside 25% of each sub-program's budget in targeted funding for projects located in Environmental Justice Communities. These amounts are reflected as Environmental Justice Community Carveout in the figure.
Note. This figure does not include Low-Income Community Solar Pilot projects, which underwent a competitive procurement process separate from the ILSFA sub-programs and their annual budgets.
Note. [1] Environmental Justice Community carveouts for the Program Year 2024-2025 Community Solar sub-program budget were also applied to federal funds added from the Greenhouse Gas Reduction Fund.

The figure above displays the Environmental Justice Community carveout and total incentives of selected projects sited in EJCs compared by year and sub-program. The EJC carveout for each sub-program is identified using a reference line and corresponding shading and is established from the total sub-program allocation for that Program Year, exclusive of any unspent funds rolled over from the previous Program Year.

To help ensure that ~~environmental justice communities~~Environmental Justice Communities are made aware of opportunities for participation in ILSFA, grassroots education funding will be prioritized towards Environmental Justice Communities to help meet this goal. Up to 60% of the funding (or 3 percentage points of the 5%) will be used for this purpose. Since the start of grassroots

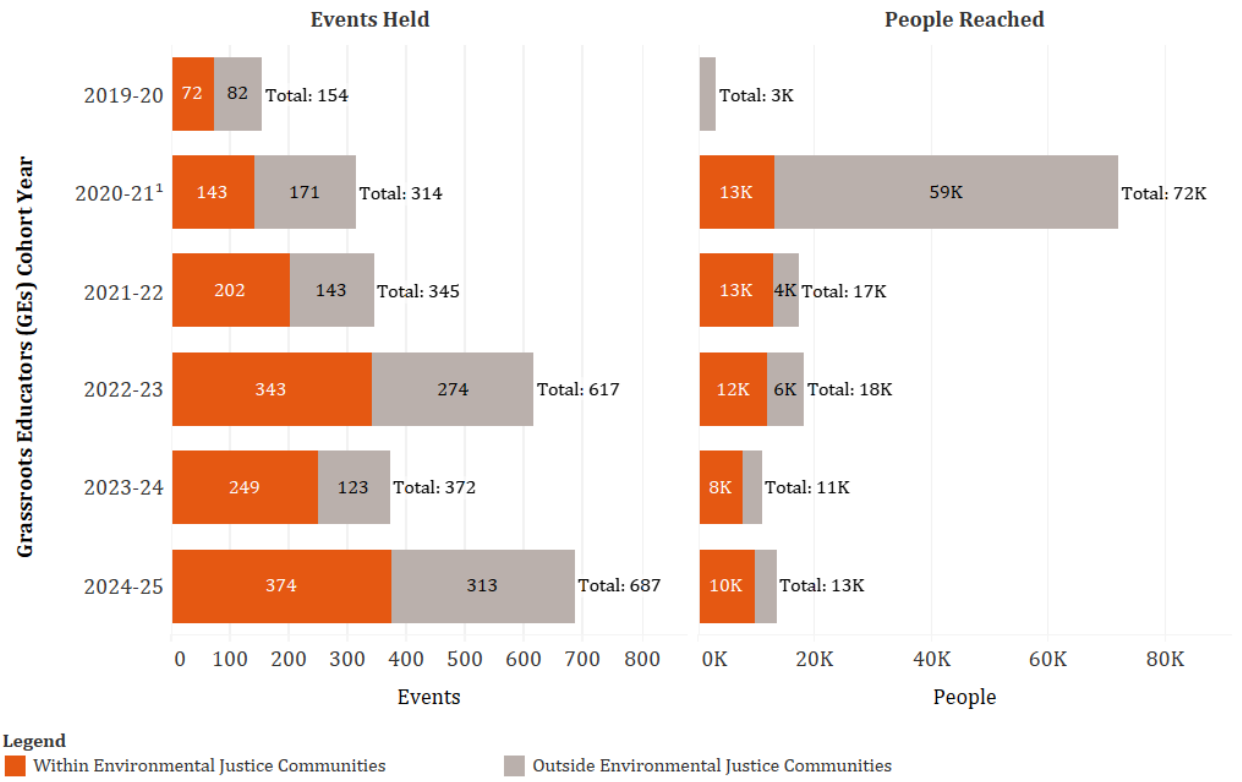
education campaigns in 2019-2020 to the closing of the ~~2022-2023 program year, 785~~2024-25 Program Year, 1383 grassroots education events have been hosted in EJCs or ~~53.40~~55.56% of all events, ~~615~~1106 events were located outside of EJCs and ~~70~~269 events ~~had uncategorized locations (likely virtual). 95.65% of all grassroots education campaigns have incorporated outreach in EJCs~~were held virtually.

Figure 8-~~9~~5: ~~Total~~ ILSFA ~~Incentives of Projects Sited~~Grassroots Educators Events Held in EJCs **~~by Program Year~~**



~~Environmental Justice Community Carveout and total incentives of selected projects sited in EJCs compared by year and sub-program. The EJC Carveout for each sub-program is identified using a reference line and corresponding shading and is established from the total sub-program allocation for that program year, exclusive of any unspent funds rolled over from the previous program year.~~

~~8.13~~



Source: Illinois Solar for All, Illinois Power Agency (July 2025)
Note. Data was not collected on the number of people reached within Environmental Justice Communities during Cohort Year 2019-2020.
Note. [1] Due to the pandemic, Grassroots Educators reached more people from mailing campaigns as opposed to in-person events.

8.13 Program Changes

~~Due to the timing of the 2022 Plan, several provisions that were new to Chapter 8 in the 2022 Plan are not being implemented until the 2023-2024 Program Year. To avoid layering additional changes onto the Program before the efficacy of those new elements can be assessed, the changes to Chapter 8 in this 2024 Plan are incremental.~~

- ~~Similar to the rebranding of the Adjustable Block Program to Illinois Shines, there are language and rebranding updates throughout this Chapter 8 to adopt more participant-friendly language. Generally, the term "income-eligible" is replacing the term "low-income" throughout ILSFA program materials. Additionally, the sub-program titles were rebranded throughout this chapter. (See Section 8.1)~~
- ~~While upfront costs are permitted as a limited exception for multifamily building owners that purchase the system, such owners are not allowed to pass those upfront costs on to the building residents. (See Section 8.2.2)~~
- ~~REC prices have been updated and will now reflect the 30% Investment Tax Credit created by the Inflation Reduction Act, but will not reflect other tax benefits such as bonus depreciation. (See Section 8.2.2)~~
- ~~The Agency will be receiving a total of $525,000 over three installments for the Illinois Solar for All program through the settlement of a consumer protection claim. The Agency will use the funding to support the activities of local LIHEAP agencies connecting potential participants with the ILSFA Program Administrator. (See Section 8.4.1)~~

~~The Agency will apply caps to the sizing of Residential Solar (Small and Large) projects based on historical annual usage.~~ To continue to facilitate participate in ILSFA, the Agency proposes the following changes to Chapter 8 of this Draft 2026 Long-Term Plan.

- The Agency proposes to deduct the 5% collateral requirement from the REC payment for Approved Vendors who satisfy the definition of a small and emerging business, rather than having it due after contract execution, with a five project cap per Approved Vendor. (See Section 8.2.3.1)

- To ensure small and emerging businesses have sufficient opportunity to participate in ILSFA, the Agency proposes having the option to allow Approved Vendors designated as small and emerging businesses to submit projects for a period of time before submissions are opened to all Approved Vendors in a given sub-program. (See Section 8.2.3.2)

- Based on the declining balance of the RERF as funds are committed to projects for the 2026 Plan, beginning in the 2026-27 Program Year, the Agency proposes to shift the funding support for program administration, evaluation, and grassroots education from RERF funding to utility funding. (See Section 8.4.2)

- The Agency proposes to release the funding reserved for energy sovereignty projects in every ILSFA sub-program on January 1. (See Sections 8.5.~~3~~1, 8.5.1.2, 8.5.3, 8.5.4, 8.5.5, and 8.5.~~4)~~6)

- REC prices have been updated taking into account market indicators and participation levels. (See Section 8.5.2)

- The Agency proposes to expand the current Referral Process through a Participant Pipeline for the Residential Solar (Small) and Community Solar sub-programs with the intent to have a list of customers who have been income-verified available that can be connected with Approved Vendors to ease customer acquisition costs and delays. (See Section 8.5.3)

- The Agency proposes to develop a limited Referral Pilot Initiative that would provide a stipend to income-eligible Residential Solar (Small) sub-program participants who connect eligible households to the Residential Solar (Small) sub-program. This pilot will ~~exclude~~only be implemented if the Residential Solar (Small) sub-program reverts back to experiencing low participation numbers. (See Section 8.5.3.5)

- The Agency proposes to allow master-metered buildings ~~from subscribing~~to subscribe as ~~income-eligible residential households~~ an anchor tenant subscriber in the Community Solar sub-program with an alternative anchor tenant REC price. The REC price will be an average of the ILSFA Community Solar ~~projects.~~ anchor tenant REC price and the Illinois Shines Community Driven Community Solar REC price (See Section 8.5.5)
- ~~The Agency collaborated with the Illinois Climate Bank to develop Illinois' application for federal funding through the US Environmental Protection Agency's Greenhouse Gas Reduction Fund Solar for All program. (See Section 8.8.4)~~
- ~~The Agency will consider waivers to extend job trainee eligibility for up to an additional twelve months. (See Section 8.9.1)~~

- ~~With the passing of Public Act 103-0188, ILSFA projects are subject to prevailing wage requirements, with limited exceptions for projects serving residential buildings and houses of worship (when less than 100 kW). (See Section 8.9.2)~~
- ~~The Agency will roll over funding made available from reduced final REC Contract values at Part II to the relevant sub-program incentive allocation for the following program year. (See Section 8.10.2)~~

- The Agency proposes to allow eligible projects located in census blocks adjacent to environmental justice communities or income-eligible communities to participate in the Non-Profit and Public Facilities sub-program. (See Section 8.5.6.1)

- The Agency proposes to increase the length of time an Eligible Job Trainee will be considered an Eligible Job Trainee to five years, regardless of the job training program they completed. Additionally, Approved Vendors designated as small and emerging businesses will be able to count hours worked on a project that was not energized. (See Section 8.9.1)

- The Agency proposes to expand the self-attestation option for participants in the Residential Solar (small) sub-program where the participant resides in an income-eligible community. (See Section 8.10.3.2)

- The Agency ~~will~~proposes to update the Environmental Justice Communities Map to account for inaccurate data in EJScreen. In addition, communities in with scores in the top 25% across the Illinois service areas of each RTO will be defined as an Environmental Justice Community ~~Maps every five years, to coincide with updates to US Census and EJSCREEN data. The next update would be anticipated for early 2028. EJ Self-Designated areas will not expire.~~. (See Section 8.12.~~3~~2)
- ~~Following an RFQ/RFP process, the Agency selected ILLUME, Incorporated ("ILLUME") as the ILSFA Program Evaluator.~~

8.14 ~~8.14~~ Evaluation

Section 1-56(b)(6) requires that the Plan include an approach for independent evaluation of the Illinois Solar for All Program:

> *At least every 2 years, the Agency shall select an independent evaluator to review and report on the Illinois Solar for All Program and the performance of the third-party program administrator of the Illinois Solar for All Program. The evaluation shall be based on objective criteria developed through a public stakeholder process. The process shall include feedback and participation from Illinois Solar for All Program stakeholders, including participants and organizations in environmental justice and historically underserved communities. The report shall include a summary of the evaluation of the Illinois Solar for All Program based on the stakeholder developed objective criteria. The report shall include the number of projects installed; the total installed capacity in kilowatts; the average cost per kilowatt of installed capacity to the extent reasonably obtainable by the Agency; the number of jobs or job opportunities created; economic, social, and environmental benefits created; and the total administrative costs expended by the Agency and program administrator to implement and evaluate the program.*

In January 2019, the Agency held a workshop and took stakeholder feedback to assist in the developmentPrevious iterations of the scope and process for the evaluation.[776] The Agency then issued a Request for Qualifications/Request for Proposals to select an independent evaluator to conduct the evaluation.[777] This selection process is expressly exempted from the Illinois Procurement Code.[778] On August 7, 2019, the Commission approved the contract for the Plan include details on the Agency's first selected evaluator, APPRISE, Inc.

The Phase I Evaluation Report, released in October 2019, focused on the stakeholder outreach process, development of program materials and guidelines, initial Illinois Solar for All Approved Vendor registration, initial project applications, and the development of Grassroots Education efforts, and was included in Appendix G of the First Revised Plan. Four Phase II Evaluation Reports were completed in 2020 and 2021, which detail the first two years of ILSFA activities through program year 2021-2022 and provide recommendations for program improvement. The Illinois Solar for All Evaluation Summary Report was also created to provide a succinct overview of program design, metrics, and recommendations found in the Phase I and Phase II independent evaluator and evaluation reports.[779]

The Phase II Final Evaluation Report was included as Appendix H to the 2022 Plan. Generally, these recommendations did not require specific changes to the Plan but rather were considered and implemented through the Approved Vendor Manual and ongoing program administration process improvement and coordination with other entities such as community action agencies, project financing institutions, and minimizing changes to the Program. The Agency and Program Administrator has been implementing many of these recommendations and working to build potential collaborations.

The Agency released a completed. The Agency released its second Request for Feedback about the next cycle offor ILSFA Evaluation on July 1, 2022, to seek guidance on an approach to Program evaluation beyond its initial years based on annual Program evaluation reports, and shorter, topic-focused mid-year reports with a particular focus, such as uptake in the Residential (Small) sub-program. The Agency is prioritizingprioritized providing meaningful information and metrics for Program stakeholders in a usable format.[780] The Agency then issued a Request for Qualifications/Request for Proposals to select the independent evaluator to conduct this next cycle of Program evaluation.[781] On February 23, 2023, the Commission approved the contract for the Agency's selected evaluator, ILLUME Advising, Inc. The Agency anticipates ILLUME's work to include producing an annual evaluation for the 2021-2022, 2022-2023, and 2024-2025 program years, as

[776] See: https://www.illinoissfa.com/announcements/2019/01/written-comments-on-illinois-solar-for-all-third-party-program-evaluation/ and https://www.illinoissfa.com/announcements/2019/02/public-comments-on-third-party-evaluation/.

[777] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ilsfa-evaluator-19-rfp-02-5-10-19.pdf and https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ilsfa-evaluator-19-rfp-02-5-10-19.pdf

[778] 20 ILCS 3855/1-56(f).

[779] See: https://www.illinoissfa.com/evaluation/.

[780] See "Illinois Solar for All Evaluation Request for Stakeholder Feedback," https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ILSFA-Evaluation-Stakeholder-Feedback-Request-Final-06302022-Final.pdf.

[781] See State of Illinois Request for Qualifications, https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ilsfa-evaluator-23-rfq-02-updated-0914.pdf; and State of Illinois Request for Proposals, https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/ilsfa-evaluator-23-rfp-02.pdf

~~well as shorter, focused mid-year reports that focus on particular relevant topics, such as maximizing uptake in the Residential Solar (Small) sub-program.~~("ILLUME").

~~8.15~~ ILLUME's work as the ILSFA Evaluator included producing annual evaluations for the 2021-2022,[782] 2022-2023,[783] and 2023-2024[784] program years, as well as three shorter, focused mid-year reports on barriers and opportunities to improve the Residential Solar (Small) sub-program,[785] income verification,[786] and grassroots education.[787] ILLUME used a variety of research tactics to evaluate ILSFA and the Program Administrator, including review of program data, Program Administrator process documentation; as well as surveys, focus groups, and one-on-one interviews of participants, Approved Vendors, grassroots educators, stakeholders, and Program staff. The annual reports reported on Program statistics and modeled electricity, bill, environmental, social, workforce, and economic impacts of ILSFA projects. Recommendations for Program improvements from the annual reports and mid-year reports included suggestions for Program Administrator process enhancements, website improvements, and outreach and stakeholder engagement suggestions.

The Agency released a Request for Stakeholder feedback on December 2, 2024 and held a stakeholder feedback session on December 16, 2024 to seek guidance on an approach to Program evaluation for the 2024-25, 2025-26, and a portion of the 2026-27 Program Years.[788] The IPA will maintain the current reporting structure of annual Program evaluation reports, and shorter, topic-focused mid-year reports with a particular focus, such as uptake in the Residential Solar (Small) sub-program. The Agency then issued a Request for Qualifications/Request for Proposals to select the independent evaluator to conduct this next two-year cycle of Program evaluation.[789] On May 16, 2025, the Agency concluded the Request for Proposals without selection or award to any of the firms which submitted proposals due to deficiencies in their proposals that were not cured within the cure period. As such, the Agency reissued the Request for Proposals on May 23, 2025.[790] On August 7, 2025, the Agency once again selected and the Illinois Commerce Commission approved the contract for the Agency's selected evaluator, ILLUME.[791] The Agency anticipates ILLUME will produce an annual evaluation for the 2024-25 and 2025-26 Program Years, as well as shorter, focused mid-year reports that focus on particular relevant topics, similar to the previous evaluation cycle.

All ILSFA evaluation reports are available on the ILSFA website.[792]

[782] See: https://www.illinoissfa.com/wp-content/uploads/2025/02/2021-2022-Illinois-Solar-for-All-Annual-Evaluation-Report.pdf.

[783] See: https://www.illinoissfa.com/wp-content/uploads/2025/02/Illinois-Solar-for-All-2022-2023-Annual-Report.pdf.

[784] See: https://www.illinoissfa.com/wp-content/uploads/2025/06/Illinois-Solar-for-All-2023-2024-Annual-Evaluation-Report.pdf.

[785] See: https://www.illinoissfa.com/wp-content/uploads/2024/01/ILSFA_Mid_Year_Report_01_2024.pdf.

[786] See: https://www.illinoissfa.com/wp-content/uploads/2025/01/ILLUME-Advising-Illinois-Solar-for-All-2024-Mid-Year-Report-on-Income-Verification.pdf.

[787] See: https://www.illinoissfa.com/wp-content/uploads/2025/06/Special-Topic-Evaluation-Report-on-Grassroots-Education.pdf.

[788] See https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20241202-ilsfa-evaluation-stakeholder-feedback-request.pdf and https://www.youtube.com/watch?v=MJXN9_QFN1o.

[789] See: https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250124-ilsfa-evaluator-rfq-jan-2025-v2.pdf and https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250305-ilsfa-evaluator-25-rfp-01-final_march2025.pdf.

[790] See https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250523-ilsfa-evaluator-25-rfp-01-rev-final23may2025.pdf.

[791] ILLUME Advising, Inc. was recently acquired by E Source Companies and is d/b/a ILLUME, an E Source Company.

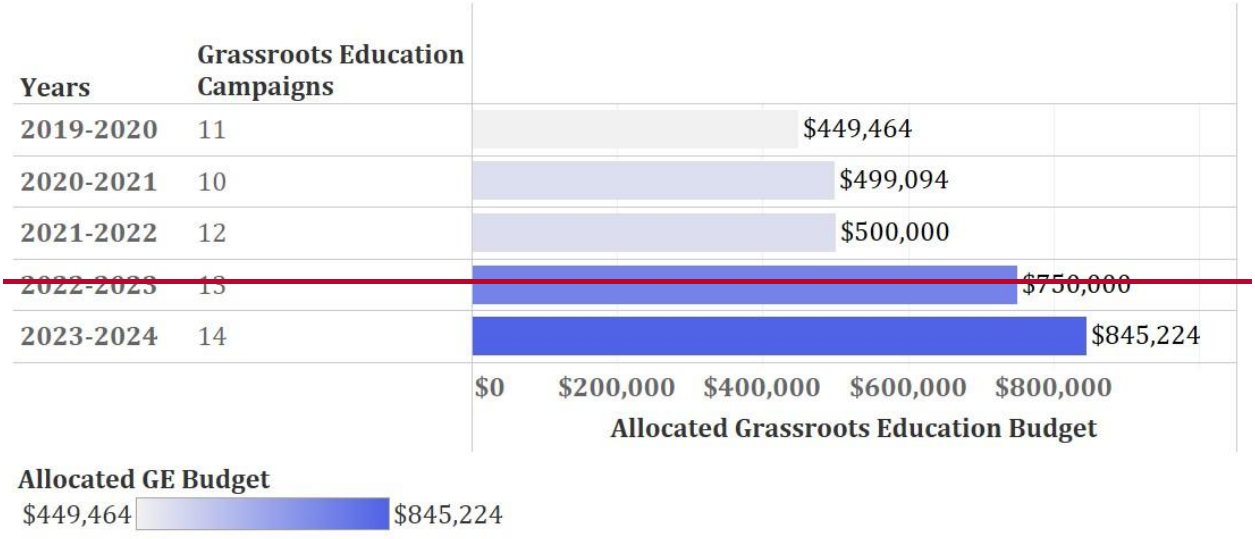
[792] See: https://www.illinoissfa.com/vendor-evaluation-and-reports.

8.15 Grassroots Education Funding

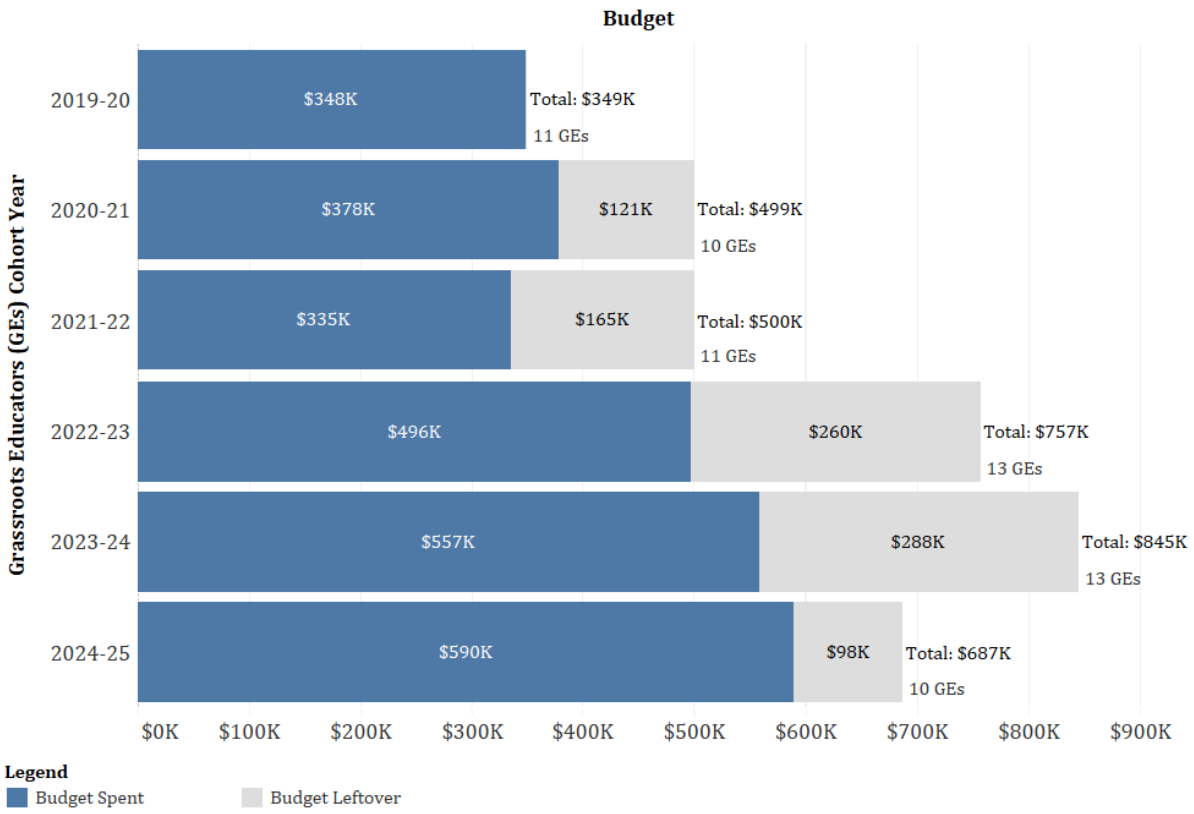
Section 1-56(b)(3) of the IPA Act as amended by Public Act 102-0662 also requires that the Agency "direct that up to 5% of the funds available under the Illinois Solar for All Program to community-based groups and other qualifying organizations to assist in community-driven education efforts related to the Illinois Solar for All Program, including general energy education, job training program outreach efforts, and other activities deemed to be qualified by the Agency."[793]

Yearly grassroots education allocations and number of campaigns funded each ~~program year~~Program Year are detailed in the chart below.

Figure 8-~~10~~6: Total Grassroots Education Campaign Allocations by Program Year



[793] 20 ILCS 3855/1-56(b)(3).



Source: Illinois Solar for All, Illinois Power Agency (July 2025)
Note. The annual budget for each Grassroots Educator had a cap of $50,000 per organization during Cohort Year 2019-2020.

With ~~the~~ utility funding available for Illinois Solar for All ~~increasing~~having increased to $50 million per year through P.A. 102-0662 in addition to funding from the Renewable Energy Resources Fund, funding for grassroots education is potentially very substantial and the Agency will continue to assess what is an appropriate funding level. With expanded budgets allowed by CEJA, up to $3.325 million (5% of $66.5 million) would be available to support grassroots education funding.

For the purposes of grassroots education, community-based organizations must be registered non-profit entities, excluding trade or political non-profits. It is recognized that the definition of community-based organizations or non-profit is very broad and may include a variety of organization types. It is not required that non-profit organizations have federal 501(c)(3) status, and collaborative or fiscal sponsorship should be encouraged to ensure that very small, hyper-local organizations can participate. Qualified organizations should work within the communities in which they will be providing grassroots education. Grassroots educator entities will be chosen through competitive RFPs issued periodically and selected grassroots educators will be subcontractors of the ILSFA Program Administrator. ~~Pursuant to the Initial Plan, the first selection of grassroots educators was made in June 2019.~~[794][795]

As noted in Section 8.12.4, grassroots education funding will be prioritized towards Environmental Justice Communities to help meet this goal. Up to 60% of ~~the~~grassroots education funding (or 3

[794] ~~See: https://www.illinoissfa.com/announcements/2019/06/announcing-grassroots-organizations.~~

[795] See https://www.illinoissfa.com/grassroots-education/.

percentage points of the 5%) will be used for this purpose. Grassroots education topics could include solar basics, program requirements, consumer protection, program benefits and opportunities, job training opportunities, environmental justice community issues, or community engagement, among many others. One objective of the grassroots education strategy will be to ensure that campaigns collectively reach a diversity of households and communities, topics, and geographies over time. For the 2024-25 Program Year, returning Grassroots Educators who had at least one year of experience as a Grassroots Educator, or as an organization that was previously fiscally sponsored by a Grassroots Educator under the ILSFA Program were offered the option to submit 2-year campaigns. To better align with seasonal community engagement trends, Grassroots Education campaign terms were shifted from Program Year to calendar year with 18-month contracts for Grassroots Educators beginning in the 2025-26 Program Year.

Public Act 102-0662 clarified that "[g]rassroots education funding shall not be used to support the marketing by solar project development firms and organizations, unless such education provides equal opportunities for all applicable firms and organizations."[796] Non-profit organizations providing grassroots education to communities must ensure that outreach and education provided does not serve the interest of any Approved Vendor or other solar developer above any other. When grassroots education events are open to Illinois Solar for All Approved Vendors, all Approved Vendors should have an equal opportunity to participate in a transparent manner. No organization providing grassroots education services should have a current financial relationship with an Illinois Solar for All Approved Vendor where the grassroots education organization receives payment for such services, and any past relationships should be clearly disclosed when submitting proposals. Community-based organizations may work with Illinois Solar for All Approved Vendors in the capacity of developing a solar project for their own property. –Community-based organizations receiving grassroots education funding are also permitted to provide referrals to Illinois Solar for All Approved Vendors who request assistance in identifying either community organizations or property owners that are interested in seeing community solar projects developed in their communities, provided there are no financial payments or other benefits received by the grassroots education funding recipient in exchange for such referrals.

~~The 2022 Plan proposed a special request for proposals to contract a community organization with experience in job placement services to conduct an educational campaign to connect Illinois Solar for All Approved Vendors with interested trainees, which was planned to supplement (not replace) the job trainee clearinghouse to be maintained by the Program Administrator discussed in Section 8.6. Transitions of job training program administration and development of new job training programs created by Public Act 102-0662 are ongoing at the time of this 2024 Plan, and thus are not yet ready to promote to potential trainees. The Agency is still considering this campaign and hopes to coordinate with these job training programs and further develop this educational initiative in future program years.~~

Section 1-56(b)(2) directs the Agency to coordinate ILSFA program administration "with similar initiatives, including … energy efficiency programs, job training programs, and community action agencies."

Community action agencies and other entities offer the Illinois Home Weatherization Assistance Program and other energy efficiency services to income-eligible households in Illinois. Their work

[796] 20 ILCS 3855/1-56(b)(3).

offers a synergistic opportunity to engage with the same households that are eligible for the Illinois Solar for All program.

The Agency and the Program Administrator have made progress in coordinating with CAAs and utility-run energy efficiency programs, and individual Approved Vendors can and have developed partnerships with specific CAAs. Of particular note is the coordination with DCEO's Office of Community Assistance and local LIHEAP providers on the ~~US Department of Energy's Low-Income Clean~~National Community Solar Partnership (NCSP+) Energy Connector tool, as described above in Section 8.8.3.1.

~~The~~ Section 1-56(b)(3) of the IPA Act instructs the Agency to direct up to 5% of available funds to support ~~"grassroots~~community-based groups and organizations "to assist in community-driven education efforts related to the Illinois Solar for All Program." To date, funded grassroots education campaigns have specifically focused on community education by local community organizations. The Agency and Program Administrator have experienced challenges engaging community action agencies and other income-eligible energy efficiency service providers that could potentially incorporate a solar assessment because the Agency does not believe these services can be considered "community education," and thus not eligible for grassroots education funding, although such activities could potentially promote and simplify ILSFA participation. The Agency believes the updated language of 1-56(b)(2) in Public Act 102-0662, which adds "and other activities deemed to be qualified by the Agency," expands the kinds of activities covered by this funding to include non-educational activities, such as costs for income-eligible energy efficiency providers to perform preliminary site suitability assessments, and other activities and services that can be performed by community organizations to drive and facilitate ILSFA participation. The Agency will continue to explore expanding the types of activities campaigns support by grassroots education funding, or perform a separate targeted RFP for specific activities to drive ILSFA participation beyond education, and will explore ways it can further support ILSFA outreach activities, which may include compensation for LIHEAP providers' activities connecting LIHEAP households with ILSFA Community Solar projects through the ~~Department of Energy's Low-Income Clean~~National Community Solar Partnership (NCSP+) Energy Connector pilot and compensation of community organizations, participant or job trainees participating in a Grassroots Education public presentation, and resident stakeholders for their time and efforts providing perspective and feedback for program improvement.

Specific opportunities for this expanded use of grassroots education funding could include finding ways to coordinate customer enrollment, assist with income verification, and program promotion. Any new activities supported by grassroots education funding that involve or impact existing state energy efficiency programs will seek input from the advisory groups, utilities, and stakeholders associated with those programs.~~-~~[797]

At a minimum, the Agency will work with DCEO's Office of Community Assistance~~,~~ and the Program Administrator will seek to work with Approved Vendors and CAAs to develop materials that can be shared with customers to cross-promote the programs.

Customers who have already received income-qualified energy efficiency or health and safety repairs can be referred to the ILSFA program, once protocols have been established for sharing customer

[797] See Final Order at 126, ICC Docket No. 22-0231 (Jul. 14, 2022).

information. CAAs could be supported in part for the costs associated with site assessment and referrals to the ILSFA program. Weatherization and solar marketers could offer combined efficiency and solar products, or CAAs could register as Approved Vendors or Designees for ILSFA.

The Agency will convene parties interested in this collaboration and develop ideas that improve program delivery.

8.16 Illinois Solar for All Advisory Committee

In the 2022 Plan, the Agency proposed convening an Illinois Solar for All Advisory Committee, to develop and explore ideas and advise the Agency on the ILSFA program. The Committee will meet regularly, and representatives will be invited from the Agency, the Illinois Commerce Commission, the ILSFA Program Administrator, Approved Vendors, ~~Approved Vendor Aggregators~~Designees, subcontractors, Equity-Eligible Contractors, industry participants, ~~grassroots educators~~Grassroots Educators or local organizations, the public, and other interested stakeholders. The Advisory Committee may also engage with other State agencies coordinating activities with ILSFA, such as DCEO and IFA.

The Advisory Committee meetings are intended to foster meaningful and informed conversation between all program ~~stakeholder~~stakeholders and agencies, provide education or information regarding participation in the program, encourage stakeholder and public feedback, and develop and propose incremental improvements to the ILSFA program. Ultimate decisions on if or how to implement Advisory Group recommendations will remain with the Agency.

Meetings will be held online on a regular basis, with a target of ~~once a month.~~meeting quarterly. The Program Administrator will also provide additional educational opportunities for Committee members to provide additional context to details of the program. The Agency will create an email list for interested parties to keep informed of Advisory Group activities and will post the schedule and materials for meetings on the IPA and Illinois Solar for All websites.[798] ~~-~~These meetings will be in addition to public stakeholder engagement sessions, which the Agency holds on an as-needed basis and are open to the public.

[798] See Final Order at 128, ICC Docket No. 22-0231 (Jul. 14, 2022); Illinois Solar for All, "Advisory Committee," https://www.illinoissfa.com/advisory-committee/.

9. Consumer Protection

Chapter 9 discusses consumer protection issues and related requirements across both Illinois Shines and Illinois Solar for All. Consumer protection documents for the 2025-26 Program Year, including the Consumer Protection Handbook and Contract Requirements, are included in Appendix H. ~~These documents have been updated from the versions filed with the 2024 Long-Term Plan in October 2023 to reflect the Commission's Final Order approving this 2024 Long-Term Plan and to make additional minor clarifications. The Program Administrators have also updated the design of each document within Appendix H to be more consistent with Program branding. Appendix H-1 contains the redline version of the documents, and Appendix H-2 contains the final "clean" version of each document.~~

9.1 Consumer Protection Requirements under Prior Long-Term Plans

Since the beginning of the Illinois Shines and Illinois Solar for All programs, the Agency has considered safeguards for consumers to be a vital component to ensure the success of these two ~~programs~~Programs. A project that successfully applies to one of these ~~programs~~Programs stands to receive a financial benefit from the Program in the form of a REC delivery contract and by extension from the ratepayers who fund it. Ensuring that customers receive clear and accurate information about the ~~Program~~Programs and specific solar offers is critical to empowering customers to make prudent and educated decisions regarding going solar.

As explained in prior Plans, installation of a photovoltaic system is a significant financial commitment on behalf of the system host (and potential owner). A system that has been sold (or leased) to a customer using incorrect, inaccurate, or deceptive information could put the financial security of Illinois residents or businesses at risk and poison the ongoing viability of the Illinois solar market.

While subscribing to a community renewable generation project, such as a community solar project, is not the same as choosing to purchase, lease, or otherwise host a system located on one's own property, it bears similarities to signing up to take supply service from an Alternative Retail Electric Supplier ("ARES") and includes ~~a~~an often long-standing, binding contractual commitment. The Agency believes that the history of questionable marketing practices of some ARES emphasizes the need for significant safeguards around the marketing of community renewable generation subscriptions.[799] The troubling practices observed from alternative gas and electric suppliers ~~include~~has included: improperly associating the supplier with the local utility or a government agency or program; implying that a customer must choose to enroll; inflating the price of green energy offers far beyond the actual incremental cost of procuring renewable resources; providing

[799] See, e.g., ~~ICC Docket No. 14-0512,~~ Consumer Services Division and Office of Retail Market Development Staff Report to the Commission ~~dated ~~, ICC Docket No. 14-0512 (~~August 20, 2014,~~), https://www.icc.illinois.gov/downloads/public/edocket/384622.pdf (detailing misleading and noncompliant marketing tactics employed by one ARES); ~~ICC Docket No. 15-0438,~~ Consumer Services Division and Office of Retail Market Development Staff Report to the Commission ~~dated ~~, ICC Docket No. 15-0438 (~~July 20, 2015,~~), ~~https://www.icc.illinois.gov/docket/files.aspx?no=15-0438&docId=232481~~https://www.icc.illinois.gov/docket/P2015-0438/documents/232481 (detailing several misleading telephone marketing tactics employed by a different ARES); First Notice Order at 55, ICC Docket No. 15-0512, ~~First Notice Order, ~~(September 22, 2016, ~~at 55~~), (expressly relying on information submitted with the ICC Staff Initial Comments dated November 5, 2015 (https://www.icc.illinois.gov/downloads/public/edocket/417068.pdf), which detailed trends in allegations of ARES wrongdoing including unauthorized switching, misrepresentation of the nature of the transaction, misrepresentation of identity of the ARES, misrepresentation of price or savings, failure to disclose cancellation fees or right to cancel, and more); Order at 4-5, ICC Docket No. 17-0273, ~~Order, dated ~~(August 15, 2017, ~~at 4-5~~), https://www.icc.illinois.gov/docket/P2017-0273/documents/255736/files/451962.pdf (denying a certificate of service authority to an ARES that, previously operating in Illinois under a prior corporate structure, had amassed numerous complaints related to sales and marketing~~).~~; certificate was later granted after the company added new processes and levels of oversight).

confusing or misleading information; and targeting elderly, non-English speaking, and low-income customers who may have less access to quality information about energy prices.[800]

The Agency was mindful of the State's experience with the retail energy supply market and the marketing and sale of energy-related products in developing its foundational consumer protection requirements. The IPA found that the Illinois Commerce Commission's Title 83, Part 412 rules provided a workable blueprint for expectations of Approved Vendors. The Programs' initial marketing guidelines were modeled on the Commission-approved rules for marketing practices by Alternative Retail Electric Suppliers,[801] and have since been modified to address consumer protection issues that have arisen in the specific context of Illinois Shines and Illinois Solar for All.

The Agency recognizes that it is not a regulatory agency and does not have jurisdiction over all distributed generation installations or community solar projects across the State. However, the Agency can and does create common sense provisions to ensure that entities marketing, selling, developing, installing, and maintaining projects seeking to participate in the Illinois Shines and Illinois Solar for All programs are held to high standards ~~for~~in support of consumer protection~~.~~ for the betterment of the Programs and the customers who participate in them. As the entities tasked by law with determining participation eligibility and enforcing ~~program~~Program terms, conditions, and requirements on participant firms, the ~~programs~~'Programs' respective Program Administrators enforce consumer protection provisions through responses to ~~program~~Program violations, beginning with directing corrective action and compliance plans, up to and including formal warnings and suspensions from further participation in these state-administered incentive ~~programs~~Programs. As the Program Administrators operate at the direction of and as an extension of the Agency, the Program Administrators share all disciplinary action decisions with the Agency, and responses to ~~program~~Program violations can be appealed to the IPA, who provides a final determination on the matter.

In approving the Agency's Initial Plan through Docket No. 17-0838, the Commission recognized the necessity for consumer protection requirements and authorized the Agency to develop requirements via ~~program~~Program-related forms and documents outside of the Commission's approval proceeding. Consistent with the Commission's Order in that proceeding, the IPA developed initial consumer protection policies and procedures as terms and conditions of participation in these ~~programs~~Programs.[802] In order to ensure transparency in the development of these guidelines, the IPA and its Program Administrators held a series of stakeholder feedback sessions and solicited written stakeholder feedback in 2018 before producing ~~program~~Program brochures, standard Disclosure Forms, contract requirements, requirements for marketing behavior and marketing materials, and the ABP Program Guidebook[803] and ILSFA Approved Vendor Manual upon opening of the ~~programs~~Programs.

[800] Unfortunately, the Agency has encountered allegations of similar behavior on the part of select community solar providers. For example, the Illinois Shines Program Administrator has received customer complaints stating that door-to-door community solar sales agents represented themselves as being sent by the government, as affiliated with the local electric utility, or as affiliated with the Low Income Home Energy Assistance Program.

[801] 83 Ill. Adm. Code Part 412.

[802] See, e.g., Final Order, ICC Docket 17-0838 (Apr. 3, 2018).

[803] "ABP" is an abbreviation for "Adjustable Block Program," which is the statutory name for the Illinois Shines program. While the IPA endeavors to reference "Illinois Shines" in most external communications, certain documents and resources, including historical documents, still refer to the "ABP" or "Adjustable Block Program."

After deliberation, the Agency decided not to seek Commission approval of those specific documents through approval of its Revised Plan in Docket 19-0995. The Agency believed then that the ability to adjust such documents and the requirements embodied within them based on market experience, without further Commission approval, outweighed the certainty associated with having an administrative order from a quasi-adjudicatory body affirming the specific contents contained therein. The Commission affirmed the following through its Order approving the Revised Plan:

- The Agency maintains flexibility to adjust its ~~program~~Program requirements, and the documents and forms through which they are expressed, without further Commission approval as warranted; and
- Any significant adjustments to those requirements should be preceded by a process to receive stakeholder feedback.

The principle that Approved Vendors may be held accountable for the conduct of their Designees, agents, and subcontractors~~, or designees~~ under the Agency's ~~marketing guidelines and other program~~Program requirements is ~~a~~ reasonable ~~requirement~~and consistent with a) the Commission's determination in Docket No. 17-0838 and b) the Agency's statutory authority to develop terms, conditions, and requirements applicable to the ~~programs~~Programs it implements.

9.2 Consumer Protection Provisions Arising from Public Act 102-0662

Changes in law under Public Act 102-0662 required the Agency, along with its Program Administrators for both the Illinois Shines Program and the Illinois Solar for All Program, to propose various ~~program~~Program terms, conditions, and requirements applicable to participating entities and project applications. In large part, the requirements, codified at 20 ILCS 3855/1-75(c)(1)(M), mirror consumer protections put into place by the Agency and approved by the Commission under the Initial and Revised Plans.

~~As~~ Section 1-75(c)(1)(M) ~~now~~ expressly states that the IPA "shall propose the Adjustable Block program terms, conditions, and requirements . . . through the development, review, and approval of the Agency's long-term renewable resources procurement plan~~," the~~." The Agency understands this language as a directive from the General Assembly to include these requirements within the Long-Term Plan, subject to approval from the Commission, where practicable to do so.[804] Notably, the Agency still retains authority to modify consumer protection requirements, and the documents that contain these requirements, outside of the Plan proceeding process. The Agency has committed to using stakeholder feedback processes to inform the development of material or significant new requirements made between Long-Term Plans (except in the case of emergency changes, such as the type necessitated by the COVID-19 global health pandemic).[805]

[804] The Agency does not interpret this provision of the IPA Act to allow it to promulgate administrative rules related to terms and conditions of program participation. While the Administrative Procedure Act applies to all its administrative rules and procedures (20 ILCS 3855/1-30.1), the Agency "shall not adopt any rules that infringe upon the authority granted to the Commission" under Section 1-35 of the IPA Act. As the Commission has the authority to approve this Long-Term Plan under Section 1-75(c)(1)(A) of the IPA Act and Section 16-111.5(b)(5) of the PUA, the Agency cannot adopt any administrative rules regarding the terms, conditions, and requirements for participation in the Illinois Shines and Illinois Solar for All programs under Section 1-75(c)(1)(M) of the IPA Act—or, indeed, for any other requirement related to the programs. The promulgation of such administrative rules would plainly infringe upon the authority granted to the Commission through its role reviewing and approving the Long-Term Renewable Resources Procurement Plan.

[805] The Commission approved this approach in its Final Order in ICC Docket No. 22-0231, affirming "the IPA's ability to make modifications" between Plan proceedings and rejecting the argument that "every modification, no matter how minor, must be vetted through the stakeholder process." Final Order at 137, ICC Docket No. 22-0231 (Jul. 14, 2022).

As noted in Section 9.1, the Agency lacks plenary regulatory authority over developers of distributed generation or community solar projects. However, the changes in law to Section 1-75(c)(1)(M) pursuant to the enactment of Public Act 102-0662 reinforce the IPA's understanding that consumer protections are a vital part of its ~~programs~~Programs through new express statutory requirements necessitating that the Agency develop "terms, conditions and requirements for program participation" that discourage deceptive marketing practices and bad faith business practices. A description of the Agency's requirements for both Programs and ~~planned~~proposed changes thereto are outlined below. Consumer protection documents for the 2025-26 Program Year are included in Appendix H. Consistent with past practice, the Agency ~~sought~~seeks approval of the underlying requirements along with Commission recognition that the Agency retains the flexibility to modify these materials as needed. Material or significant modifications to these requirements between approval of this and future iterations of the Long-Term Plan would be conducted through a stakeholder feedback process (except in the case of emergency changes).

9.3 Registration for Program Participants

Under Section 1-75(c)(1)(M), the Agency is required to establish a registration process for entities that wish to qualify for ~~program~~Program-administered incentive funding, establish baseline qualifications for approval of these entities, and maintain a list on each ~~program's~~Program's website. Additionally, the Agency may revoke the ability for these registered entities to receive ~~program~~Program-administered incentive funding upon a determination that the entity failed to comply with ~~program~~Program requirements or the law.

9.3.1 Registration Requirements

Registration requirements for Approved Vendors and Designees under Illinois Shines are laid out in Sections ~~7.7~~7.7 and ~~7.8~~7.8 of this Plan, respectively, and further detail on those processes is contained within the Program Guidebook. In Illinois Shines, prospective Approved Vendors must complete a lengthy application and provide information about company ownership, affiliates, and history, including responding to questions designed to reveal past consumer protection or solvency issues. The Program Administrator reviews and vets the application and then either approves or rejects the applicant. The Illinois Shines Designee process is much simpler, only requiring that the Approved Vendor (or parent Designee, in the case of nested Designees[806]) submit a short form. Approved Vendors seeking to participate in the Illinois Solar for All Program must first satisfy the requirement of being an Approved Vendor in good standing with Illinois Shines. Registration requirements for Approved Vendors under the Illinois Solar for All Program are laid out in Section ~~8.9~~8.9 of this Plan, and further detail on the Approved Vendor application process and Designee registration process is contained within the ~~program's~~Program's Approved Vendor Manual. ILSFA Designees must complete the same registration form as ILSFA Approved Vendors.

~~The Agency has noted that the majority of complaints received by the Program Administrators have been against Designees, rather than Approved Vendors.~~ In the 2022 ~~Plan~~and 2024 Long-Term Plans, the Agency considered whether the registration process for Illinois Shines Designees should be ~~subject~~revised to ~~an application process similar to Approved Vendors (as opposed to the current process, where Designees simply register with the program).~~include a more thorough review by the

[806] "Nested Designees" refers to Designees of Designees. These Designees are "nested" under another Designee, rather than registered directly under an Approved Vendor.

Program Administrator. The Agency decided to *not* apply a more stringent application process for Designees, in light of stakeholder feedback that this would be burdensome and would create barriers for new and emerging businesses. ~~Instead~~Instead, to facilitate the value of improved consumer protections while also minimizing the potential barriers to entry by Designees, the Agency decided to require Approved Vendors to develop plans and processes for managing their Designees~~. This requirement was incorporated~~, which is reflected in the ~~2023~~ Consumer Protection Handbook~~, and Approved Vendors were required to develop and follow a Designee Management Plan by September 1, 2023~~. The Agency also stated in its 2022 Plan that it would begin requiring Designees to go through an annual process to renew their registration, similar to the current renewal process for Approved Vendors. This annual review process was implemented in late 2023 for Illinois Shines and will begin in the 2025-2026 Program Year for ILSFA. As part of this process, Designees ~~will~~may be required to submit their training materials and certifications showing that their agents have been trained in accordance with ~~program~~Program requirements~~. The implementation of this process for Illinois Shines began in late 2023 and will begin in the 2024-25 Program Year for ILSFA~~.

In ~~an initial stakeholder feedback request published May 26, 2023~~the 2024 Plan, the Agency ~~again raised the idea of additional registration or application requirements for Designees, and again received feedback~~explained that ~~the burdens (both on Designees and on the Program Administrator) would outweigh the benefits. The Agency has decided~~it intended to ~~wait and evaluate the impact of Designee Management Plans, and the annual Designee renewal process, before implementing additional Designee requirements. The Agency does not wish to create additional administrative burdens or hurdles for new and emerging businesses if the existing requirements, once implemented, are adequate to address the underlying consumer protection concerns. One minor exception is that the Agency intends to start~~begin collecting company ownership and affiliation information from Designees, starting in the 2024-2025 Program Year. This process was delayed but is expected to be fully implemented in the 2025-2026 Program Year. This information ~~is~~was deemed necessary to ~~allow~~enable the Program Administrator to apply disciplinary action, when appropriate, to close affiliates of a disciplined entity (see Section ~~9.3.3). Consistent with the new policy that disciplinary action may be applied to close affiliates of the disciplined entity, if~~9.3.3). If a Designee's initial or renewal registration reveals a close affiliation with a suspended entity, this may be the basis for suspension of the Designee or rejection of the Designee's registration.

9.3.2 Listing of Approved Entities

Both Illinois Shines and Illinois Solar for All provide lists of Approved Vendors and Designees on each ~~program's~~Program's website. ~~The Illinois Shines~~Further, each Program's website ~~provides information regarding whether the entity has been disciplined by the Program Administrator for violations of program requirements, including~~includes a report providing information on Program suspensions and recent warning letters.[807] The Illinois Solar for All Program Administrator has not yet issued any warning letters since ~~program~~Program inception, and the single suspension issued was against an entity that was not registered with the Program. For more information on the public database of disciplinary actions and customer complaints, see Section ~~9.6~~9.6 of this Plan.

[807] Due to the infrequency of warning letters in Illinois Solar for All, the report may not include any recent warning letters.

9.3.3 Disciplinary Determinations

Illinois Shines and Illinois Solar for All are state-administered incentive programs leveraging state- or utility-collected funds to provide incentives for photovoltaic project development. These ~~programs~~Programs do not constitute the Illinois solar market generally; an Approved Vendor, Designee, or other solar vendor could choose to operate outside of the Agency's consumer protection requirements by not benefitting from incentive funding. Consequently, the Agency's disciplinary determinations are simply determining ongoing eligibility for state-administered incentives. No general conduct is being restricted through the suspension or revocation of Approved Vendor status; all that is being restricted is an Approved Vendor's eligibility for incentive funding through the Agency's incentive programs. Similarly, when the Program Administrator requires that an entity take corrective action or follow a compliance plan, these are requirements that the entity must follow *if it wishes to remain eligible* for participation in the Program.

Express language found in the Illinois Power Agency Act supports the Agency's prior position on disciplinary determinations for violations of ~~program~~Program requirements. Section 1-75(c)(1)(M)(i) of the IPA Act provides that the Agency may "revoke a vendor's ability to receive program-administered incentive funding status upon a determination that the vendor failed to comply with contract terms, the law, or other program requirements." The Agency believes that revocation of the ability to receive incentive funding may involve Approved Vendors as direct recipients of incentive funding as well as Designees as indirect recipients or beneficiaries of that funding. Additionally, the Agency believes that a reasonable interpretation of the law includes both a temporary revocation (i.e., suspension) and permanent revocation (i.e., termination of ~~program~~Program registration) of the ability to receive ~~program~~Program-administered incentive funding.

The Agency appreciates that certain procedural safeguards should accompany its disciplinary determinations. As an initial matter, the Agency provides 45 calendar days of lead time before new ~~program~~Program requirements go into effect, to allow entities to prepare and implement changes to their business practices (except in the case of emergency situations). Unless otherwise specified, the lead time granted will not prohibit Approved Vendors and Designees from taking earlier steps towards compliance. In situations where the Agency determines that emergency adoption of a new or modified consumer protection is necessary, no lead time will apply; however, the Agency commits to enforce any such requirements with an eye toward the practical challenges inherent in immediate implementation.[808]

In its 2023 Consumer Protection Handbook, the Agency published a Program Violation Response Matrix and updated its discussion of steps taken in response to potential ~~program~~Program violations.

The Matrix ~~lays out~~has since been updated, with the 2025 Consumer Protection Handbook providing several types of responses that the Program Administrator may take ~~to~~following a customer complaint or potential ~~program~~Program violation as summarized below:

- **Informal Mediation** is provided if a customer files a complaint but there does not appear to be a ~~program~~Program violation;

[808] See Final Order at 56, 62, ICC Docket No. 19-0995 (Feb. 18, 2020). For an example of emergency adoption of a consumer protection, see https://illinoisshines.com/ipa-covid-19-announcement/.

- A **Notice of Potential Violation** may be sent if the Program Administrator believes an entity may have violated a Program requirement;[809]
- **Informal Outreach** may be used instead of a Notice of Potential Violation if it is the entity's first potential violation (or first of a specific type of violation) and if the violation is less serious;
- A **Corrective Action** or **Compliance Plan** is required for ~~program~~Program violations that are less serious in nature;
- A **Warning** is issued for recurring and/or more serious violations; and
- A **Suspension** or **Revocation of Approved Vendor or Designee Status** is issued for the most egregious violations.
- **Restricted Portal Access** is used when an entity is non-responsive to a Program Administrator inquiry or investigation.

The Matrix also ~~sets out~~establishes, for each response type: (a) the defined process ~~provided~~completed before the response is taken, (b) how the action is communicated and what records are kept, (c) whether the response is published online, and (d) whether the response may be appealed. The Matrix also sets out various factors that the Program Administrator may consider in determining which response is appropriate, such as the number of customers affected~~;~~, the breadth, scope, and/or duration of the issue, etc.

~~For all responses where~~When it appears that a ~~program~~Program violation has occurred ~~(that is, all responses besides informal mediation),~~ the Program Administrator ~~starts by issuing a~~may use informal outreach to address the issue, especially if it is that entity's first potential violation or first potential marketing violation. In many cases, however, the Program Administrators will issue a formal Notice of Potential Violation ("NOPV") that:

- Identifies the problematic behavior;
- Explains how the behavior is or may be non-compliant with ~~program~~Program requirements;
- Requests more information about the issue; and
- Includes information on possible penalties.

For Designees, a copy of the NOPV will be sent to the Designee's relevant Approved Vendor(s). For nested Designees,[810] a copy will also be sent to the Designee under which the entity receiving the NOPV is nested. With the limited exception of emergency situations requiring immediate action (as determined at the discretion of the IPA), the Program Administrator will allow a reasonable time for the entity to respond before determining what action to take.

All formal warning letters for consumer protection violations will include the following:

- A brief explanation of the infractions for which the entity is being warned;

[809] ~~The Matrix filed with this 2024 Final Plan has been updated from the version filed in October 2023 to include a line for Notices of Potential Violation, which were already described in the Consumer Protection Handbook but had not been specifically included in the Matrix.~~

[810] ~~"Nested Designees" refers to Designees of Designees. These Designees are "nested" under another Designee, rather than registered directly under an Approved Vendor.~~

- A timeline of communications between the offending entity and the Program Administrator;
- Reference to which specific ~~program~~Program requirement(s) the entity violated; and
- An explanation regarding how the Approved Vendor and/or Designee can appeal the formal warning to the IPA and the deadline for an appeal.

For Designees, a copy of the warning letter will be sent to the Designee's relevant Approved Vendor(s). For nested Designees, a copy will also be sent to the Designee under which the entity receiving the warning letter is nested.

All formal disciplinary actions (suspensions or revocation of Approved Vendor/Designee status) taken by the Program Administrator for consumer protection violations will be communicated through a written explanation of the determination that includes the following:

- A brief explanation of the infractions for which the entity is being disciplined;
- A timeline of communications between the offending entity and the Program Administrator;
- Reference to which specific ~~program~~Program requirement(s) the entity violated;
- An explanation of any disciplinary action, including what specific conduct is no longer permitted in connection with the Program through the length of the suspension; ~~and~~
- An explanation of the process and terms for reinstatement (for suspensions only); and
- An explanation regarding how the Approved Vendor and/or Designee can appeal the disciplinary determination to the IPA and the deadline for an appeal.

A copy of the letter will be sent to all Approved Vendors and Designees that are linked in the Portal to the entity, or otherwise registered as acting in partnership with, the entity that is suspended or whose status is revoked.

An Approved Vendor or Designee may appeal a decision or action of the Program Administrator. An appealing Approved Vendor or Designee may also submit a request to the Agency for a stay of an action or decision pending a resolution of its appeal. The Agency may grant or deny this request and will consider, among other factors, the likelihood of customer harm from such a stay, whether the conduct that resulted in the suspension is ongoing, and the likelihood that the appealing entity may prevail. As part of its appeal, an Approved Vendor or Designee may also suggest alternative resolutions or means to address violations (other than the action that is being appealed).

~~The Agency plans to apply a new element in the disciplinary process. The Agency is aware that there are instances of close affiliate companies participating in the Programs as Approved Vendors and Designees. For example, sometimes a "parent" company owns multiple single-project limited liability companies ("LLCs"), each of which serves as the Approved Vendor for a different community solar project, and the same management and/or staff runs each LLC. In these cases, if the Program Administrator discovers significant program violations related to one LLC, it may be likely that the same conduct is present in the other LLCs. In other instances, the Agency has seen new companies attempt to enter the Program after a close affiliate company has been suspended from participation. The Agency wants to (a) eliminate any loophole where a bad actor may be suspended and then re-enter the Program through a new company, and (b) ensure that if a company is disciplined for~~

~~program violations, that the discipline also applies to close affiliates already participating in the Program, if appropriate.~~

~~Therefore, when the Program Administrator formally disciplines a program entity~~As proposed in the 2024 Long-Term Plan and reflected in updated Program documents, when the Program Administrator formally disciplines an entity participating in the programs (that is, suspends or permanently revokes the entity's Approved Vendor or Designee status), the Program Administrator may—in its discretion—apply the discipline to affiliate companies that share at least 25% ownership or have at least 50% common management.[811] The discipline may apply to existing Approved Vendors or Designees, or to future applicants (such that they may not enter the Program). This approach: (a) eliminates any loophole where a bad actor may be suspended and then re-enter the Program through a new company, and (b) ensures that if a company is disciplined for Program violations, that the discipline also applies to close affiliates already participating in the Program, if appropriate. The Agency does not intend that the discipline would be applied to affiliates that are only linked by a common third-party financing company that is entirely uninvolved in the management of the companies. The ability to appeal the discipline would be available to the primary entity being disciplined, as well as to any affiliates to whom the discipline is also applied.

9.4 Program Requirements and Contract Requirements

As discussed in Section ~~9.1,~~9.1, pursuant to the Commission's Order approving the Initial Plan in Docket No. 17-0838, the Agency and its Program Administrators developed ~~program~~Program requirements, including marketing requirements, standard Disclosure Forms, contract requirements, and ~~program~~Program brochures. Through P.A. 102-0662, the Agency is now required under Section 1-75(c)(1)(M)(ii) to establish ~~program~~Program requirements and minimum contract terms "to ensure projects are properly installed and produce their expected amounts of energy."

The Agency attached copies of its consumer protection documents to the 2022 ~~Plan~~and 2024 Plans, including the Consumer Protection Handbook~~,~~ and Contract Requirements~~, and example Disclosure Forms~~. In Docket 22-2031, the Commission confirmed the Agency's position that the Agency retains the authority to update Program requirements, including the Consumer Protection Handbook, Contract Requirements, and other documents, outside of the Plan approval process.[812] The Agency continues to believe that the ability to adjust consumer protection requirements, including marketing requirements and contract requirements, based upon observations of the market and complaints regarding customer experiences, is necessary to provide adequate consumer protections that can readily adapt to changes in the marketplace or other conditions.[813]

Consumer Protection documents are included in Appendix H.

[811] A 25% ownership requirement is in part intended to ensure application to EECs that may be substantially owned by established Approved Vendors, but majority-owned by one or more Equity Eligible Persons.

[812] See Final Order at 137, ICC Docket No. 22-0231 (Jul. 14, 2022).

[813] For example, in March 2020, the Agency issued emergency requirements related to in-person marketing during the onset of the COVID-19 global health pandemic. These emergency provisions were modified as the pandemic progressed. See https://illinoisshines.com/ipa-covid-19-announcement/.

9.4.1 Consumer Protection Handbook

The Consumer Protection Handbook was first published in 2022 and replaced the ABP Community Solar Marketing Guidelines and Distributed Generation Marketing Guidelines, as well as the ILSFA Low-Income Community Solar Consumer Protection Requirements and the Low-Income Distributed Generation Consumer Protection Requirements. The Consumer Protection Handbook was updated in ~~the spring of~~ 2023, 2024, and 2025, and Approved Vendors and Designees in both programs were required to comply with the updated Consumer Protection Handbook ("CP Handbook") by ~~June 1, 2023. The CP Handbook has been updated to reflect the content of this 2024 Long-Term Plan and to make other updates, was published in April 2024, and is effective in the 2024-25 Program Year.~~the start of each Program Year. To the extent practicable, the Agency intends to update the CP Handbook solely on an annual basis to coincide with the beginning of each Program Year.

Chapter I of the CP Handbook sets out requirements for conducting business in a fair, honest, and legal manner, including requirements regarding statements about RECs and the nature of energy received, statements about customer savings and the nature of offers, representations about marketers' identity and affiliates, and use of testimonials. Chapter II provides requirements that apply regardless of the marketing channel.

Chapter III sets out additional requirements that apply to specific marketing channels, such as in-person sales or telemarketing. Chapter IV explains requirements for marketing to non-English speakers. Chapter V discusses Disclosure Forms and the process for executing customer contracts. Approved Vendors must provide each customer with a completed Disclosure Form prior to the customer's execution of the customer contract. Each Disclosure Form has the relevant informational brochure attached as the first two pages. The brochures are available in either print or electronic form and have been prepared by the Program Administrator, approved by the Agency, and may not be modified by the Approved Vendor or Designee. The brochure informs consumers of their rights, procedures for filing complaints, and points to more information on the ~~program~~Program website. The Agency provides the brochures in English and Spanish and will produce versions in additional languages should the need arise. A document titled "Going Solar: Your Guide to Illinois Shines," explains the Illinois Shines project application and approval process, which is particularly relevant for DG customers that receive a lump-sum pass-through of the REC incentive payment. ~~At the time the 2024 Plan was filed in October 2023 for Commission approval, the~~ The "Going Solar" document ~~was~~is automatically pre-pended to ~~all~~ Illinois Shines Disclosure Forms for DG projects~~. Since then, the Program Administrator has updated the Portal so that it will only appear~~ if the Disclosure Form indicates that the customer will receive a direct lump-sum pass-through.

Chapter VI sets out substantive requirements for offers. Chapter VII explains requirements for sales agent training, and Chapter VIII discusses requirements related to bundled Alternative Retail Electric Suppliers offers. Chapter IX sets out recordkeeping requirements. Chapter X discusses complaint and disciplinary processes and designee management.

Chapter XI sets out additional requirements that apply to ILSFA. The applicable requirements for the Illinois Solar for All program include additional protections beyond those of Illinois Shines. These additional requirements minimize risks to ILSFA participants, guarantee savings on energy costs, and ensure that vulnerable consumers are protected against unsafe and unfair business practices.

~~Updated redline and final versions of the CP Handbook are included in Appendix H.~~

The 2025 Consumer Protection Handbook added Chapter XII, which details the new consumer protection initiatives outlined in the 2024 Long-Term Plan: the Solar Restitution Program, the escrow process for Illinois Shines Approved vendors who fail to pass through promised incentive payments to customers, and the REC adder to incentivize Approved Vendors and Designees to take on stranded customers.

9.4.2 Illinois Shines Program Requirements

In addition to being outlined in this Plan, ~~program~~Program requirements for participants in Illinois Shines are detailed in the Consumer Protection Handbook (discussed above), Program Guidebook, and Contract Requirements. Approved Vendors and Designees are required to be familiar with and comply with all ~~program~~Program requirements in order to remain in good standing with the Program.

While Chapter ~~7~~7 of this Plan outlines the primary goals and requirements for Illinois Shines, detail regarding the implementation of those requirements is explained in the Illinois Shines Program Guidebook. Developed by the Agency in conjunction with the Program Administrator, the Program Guidebook provides necessary detail on ~~program~~Program requirements across all ~~program~~Program categories and processes. As such, some items related to consumer protection provisions (for example, the processes for Approved Vendor applications and Designee registration or project inspections) are outlined in the Program Guidebook. The Agency and Program Administrator work to update the Program Guidebook on a regular basis to ensure that requirements are in step with the Program as it develops.

In addition to the Program Guidebook, there are several other documents that either set forth ~~program~~Program requirements or are essential for compliance with those requirements, including:

- Distributed Generation Standard Disclosure Form: available in English and Spanish, with separate versions available dependent upon whether the system is leased, purchased, or financed through a PPA.
- Community Solar Standard Disclosure Form: available in English and Spanish.
- Informational Brochures[814]: available in both English and Spanish, with separate brochures providing detail on distributed generation and community solar technologies and offers.
- Consumer Protection Handbook: provides consumer protection requirements, including those related to marketing, Disclosure Forms, substantive requirements, sales agent training, and record-keeping, as well as information about responses to ~~program~~Program violations.
- Contract Requirements: different contract requirements exist for installation of a distributed generation system and a community solar subscription.

These supporting documents work in concert with the Program Guidebook to ensure that ~~program~~Program participants (Approved Vendors and Designees) are fully informed on ~~program~~Program requirements. Approved Vendors must document to the IPA through the application process that the minimum Contract Requirements for distributed generation systems were met (discussed below in Section ~~9.4.2.2),~~9.4.2.2), that the customer received the informational brochure, and that the customer received and executed a standard (i.e., unmodified) Disclosure Form

[814] See https://illinoisshines.com/brochures-and-other-resources/.

prior to the execution of the contract with the ~~program~~Program participant (as explained in more detail in Section ~~9.5).~~9.5).

It is the Agency's hope that through development of these requirements, customers who encounter the ~~Programs~~programs are educated about the benefits and costs of distributed generation project installation and/or community solar subscriptions. The Agency firmly believes that a well-informed Approved Vendor/Designee can ensure that customers have a positive experience and understand both the Program and their offer. The Agency therefore not only focuses on direct consumer education and protection, but also provides resources to support Approved Vendors and Designees participating in the ~~Programs~~programs.

9.4.2.1 Illinois Shines DG Consumer Protection Concerns

The Agency has observed some specific consumer protection concerns for Illinois Shines distributed generation customers. ~~These issues, and planned approaches to address the concerns, are discussed below~~The 2024 Long-Term Plan established the creation of an economic incentive for stranded customer projects in the form of a REC Adder (which will also be available in ILSFA), an escrow process to be used when an Approved Vendor fails to pass through promised payments to customers, and a process to unbatch and rebatch solar projects when necessary to prevent or mitigate customer harm. These processes are described below, with the stranded customer REC adder and escrow process being described in detail in Chapter XII of the Consumer Protection Handbook. The processes are also described in Section 3.E of the Program Guidebook.

~~Economic Incentive for~~

9.4.2.1.1 Stranded ~~Customer Projects~~Customers

~~The first issue is~~In recent years, the Agency has seen an increasing trend of customers becoming "stranded"—that is, the situation when a customer has already signed a contract with a solar company, and then the Approved Vendor (and sometimes also the Designee) goes out of business or is prevented from moving forward with the project for other reasons, such as disciplinary action. The stranded customer may be left without an Approved Vendor to advance their application through the review process, or to pass through promised REC payments from the contracting utility. For distributed generation solar projects that are purchased (as opposed to projects that are leased or financed with a PPA), many Approved Vendors use a model where the Approved Vendor passes through some of the REC incentive lump sum payment. This "pass through" occurs after the Approved Vendor receives the incentive, which is generally several months (or even longer) after installation of the solar project.

Customers can be stranded in different stages of their project and in different situations. In many cases, it is difficult for a customer to find a new company to take on their project, especially if the project has been partially installed but not completed. In other situations, assisting a customer in moving a project forward is less complex, such as when the project is complete and operational, and the customer just needs a new Approved Vendor to submit project application materials (and potentially pass through part of the REC incentive payment). Even in this case, however, there may be additional hurdles, such as obtaining the correct application materials from a Designee that has dissolved its business or is unknown to the new Approved Vendor. The Agency has repeatedly heard that assisting stranded customers is often unattractive to Approved Vendors and Designees because the work and risk can outweigh the benefits.

~~In its 2022 Long-Term Plan, the Agency explained that its primary concern is a positive resolution for the customer, including a path forward for their project to be completed, approved as part of Illinois Shines, and for the customer to receive promised REC payments, if applicable. The Agency explained its current approach of referring customers to a designated aggregator Approved Vendor that is willing to take on stranded customers, and noted that it would explore other solutions if appropriate.~~

~~Since the Agency drafted its 2022 Plan, the stranded customer issue has grown beyond the scope that a single Approved Vendor could address. The Illinois Shines Program Administrator published an announcement soliciting additional companies that could assist stranded customers and established a "short list" of these companies that met heightened eligibility requirements. The Agency believes that a high level of customer service and familiarity with program requirements and operations is especially important when assisting stranded customers, and therefore set out extra requirements for companies to be included on this "short list." In mid-October 2023, when this Plan was filed with the Commission for approval, there were twelve companies on the short list, several of which only work in specific geographic areas. With the estimated number of stranded customers well over 200 (at the time the Plan was filed in October 2023), the Agency is concerned that these companies will not have capacity to assist all stranded customers, and that customers in particularly difficult or unusual circumstances may have an especially hard time finding a new Approved Vendor (and possibly also Designee).~~

~~The Agency therefore will implement~~A large number of stranded customers are created by solar companies going out of business and/or going bankrupt. In the 2024 Annual Complaint Report,[815] the Agency explained that 62% of the Illinois Shines complaints filed in 2024 were against an entity that had limited or ceased operations, and that the Illinois Shines Program Administrator worked with 546 stranded customer projects in the 2024 calendar year. Given the already increasing prevalence of stranded customers and uncertainty in the solar market, the Agency expects that the issue of companies going out of business and otherwise stranding customers will continue in the coming years. The Agency would like to prepare as much as possible for this trend, including the possible termination of REC Contracts. While to date, there has not been a significant trend of Illinois Shines or ILSFA REC Contracts being terminated after the payment of REC incentives, the Agency expects that it may see this occur in the future and is considering what approaches would be feasible and appropriate in this situation.

[815] https://illinoisshines.com/wp-content/uploads/2025/02/2024-Annual-Consumer-Complaints-and-Disciplinary-Actions-Report.pdf.

9.4.2.1.1.1 Economic Incentive for Stranded Customer Projects

In the 2024 Long-Term Plan, the Agency proposed to develop an economic incentive for Approved Vendors that assist stranded customers in the form of a "REC adder"—that is, an increased price in the REC Contract for RECs generated by projects that were stranded and then "unstranded." ~~An overview of the Agency's planned approach is outlined below, and, consistent with the Commission's Final Order, the Agency will use additional stakeholder processes to fully develop the initiative. The Agency also~~An overview of the initiative was provided in the 2024 Long-Term Plan and then developed further using a stakeholder process in the Fall of 2024. The Agency expects to publish a rational document and launch the stranded customer REC adder for Illinois Shines in late Summer or early Fall 2025. Provisions to implement the REC Adder were also included in the amendment to the REC Contracts in early 2025. The Agency plans to update and modify the initiative, as needed, as the Agency learns more through its development and implementation. The Agency intends to make the stranded customer REC adder available in the ILSFA program as well as in Illinois Shines, although to date, the stranded customer issue has not been as significant in ILFSA. An overview of the initiative is provided below.

Funding: The REC adder will be paid out of the general RPS collections held by the public utilities.

Project Eligibility: Projects will be eligible for the REC adder when ~~a new~~an Approved Vendor takes on a customer that had been "stranded"—that is, the original Approved Vendor (and possibly also the Designee) that had contracted with the customer has gone out of business, ceased operations, or there is otherwise no reasonable likelihood that the Approved Vendor (or Designee) will follow through on its contractual obligations to the customer or will continue to act as the Approved Vendor for the project. ~~The Program Administrator maintains an internal list of stranded customers and an Approved Vendor or Designee who is considering taking on a customer will be able to ask for a determination from the Program Administrator on whether the customer is "stranded."~~

~~The Agency does not intend to restrict the terms of the customer contract with the new Approved Vendor, but will require a new Disclosure Form to be signed if any of the terms of the new contract vary from the customer's original contract with the initial Approved Vendor and/or Designee.~~

Process: ~~Using a stakeholder process, the~~The IPA and the Illinois Shines Program Administrator ~~will begin by developing~~have developed a list of categories of stranded customers, based on the specific types of situations in which customers are stranded. The Agency ~~will determine~~has set a specific REC "adder" amount for each category of customer, ~~either as a percentage increase or an absolute dollar amount. The REC adder may be very small~~with a lower adder when the additional risk and work of taking on a type of stranded customer is minimal ~~(such as~~ and a higher adder when the ~~project is built and functioning properly, and the application materials are available, and the customer just needs a new Approved Vendor to actually submit the application). The REC adder may be much higher when a~~ customer is in a complicated situation or where there could be more risk or work for the new Approved Vendor (and/or Designee~~), such as when a project is partially installed and the original installer is bankrupt and/or unresponsive.~~). The Agency believes that ~~developing~~setting REC adder values for defined categories of types of stranded customers ~~and associated REC adder values~~ will help ensure consistency in the value of the REC adder across different projects ~~(as compared to a project-by-project REC adder determination)~~

and will provide transparency to Approved Vendors who may be interested in helping stranded customers.

If an Approved Vendor takes on a stranded customer, the Approved Vendor will submit a form to the Program Administrator with ~~information such as the customer's name and address, the project status, how the customer was stranded, and which category and REC adder value the Approved Vendor believes the project is eligible for.~~relevant information. The Program Administrator will review the documentation and determine whether the project is eligible for a stranded customer REC adder and, if so, what category and value. ~~The Program Administrator would be able to consider flexibility in specific requirements on a case-by-case basis for unusual circumstances.~~ If the Approved Vendor ~~disagreed~~disagrees with the determination, it ~~could~~can appeal to the IPA using the standard appeal process.

If the customer is stranded in a situation where it needs a new Designee ~~as well as~~(possibly in addition to a new Approved Vendor~~,~~), the Approved Vendor will still be responsible for submitting the form to the Program Administrator and the Approved Vendor and Designee would determine between themselves how to allocate the REC adder value.

The Agency requested that the Commission approve an approach where the ~~possible~~ REC adder is available ~~even for~~and can be applied to REC Contracts that pre-date the Agency's 2024 Plan; this ~~will allow~~allows the ~~proposal~~initiative to assist current stranded customers, not just future stranded customers whose projects are under future REC Contracts. The Agency also requested approval to make the REC adder available *even after* the original or "base" REC incentive payments were made. ~~This would be relevant, for example, if an Approved Vendor became unavailable several years into the REC Contract—after the REC incentive was paid—but the project still needs an Approved Vendor to ensure REC delivery and file annual reports (and the customer may potentially have put up the collateral that is at risk in the case of underperformance), or the customer needs a new Approved Vendor or Designee to provide maintenance or warranty coverage.~~ In its Final Order in Docket 23-0714, the Commission approved the REC adder proposal and explicitly approved the plan to "allow the possible REC adder to be available even for REC Contracts that pre-date the Agency's 2024 Plan," and also approved the plan "to make the REC adder available even after the original or 'base' REC incentive payments were made."[816] Through the development of a REC Contract amendment subsequent to the approval of the 2024 Plan, all Program REC Contracts now accommodate the application of the stranded customer REC adder.

~~There are some customers who become partially "stranded" when a Designee goes out of business, but the intended Approved Vendor for the project is still available. The Agency believes that in many cases, it is appropriate in those circumstances for the Approved Vendor—who is ultimately responsible for its Designees—to assist the customer. However, the Agency is aware that there are varying models and approaches to the division of roles between Approved Vendors and Designees. Some Approved Vendors serve only as "aggregators." Aggregators do not sell or install solar projects, and may not even interact much with the customer; aggregators generally submit the project application to the Program and serve as the Seller of RECs under the REC Contract (and pass through any promised REC incentive payment). The Agency's understanding is that aggregators may not even learn about specific customers or projects until the seller Designee submits application materials to the Approved Vendor. While aggregator Approved Vendors, like all Approved Vendors, are ultimately~~

[816] Final Order at 112, ICC Docket No. 23-0714 (Feb. 20, 2024).

~~responsible for the conduct of their Designees, the Agency understands that there are pragmatic differences in the roles and business practices of the entities involved.~~

~~Therefore, if a customer becomes stranded by its Designee becoming unavailable, the Agency intends that the stranded customer REC adder is available *only if* the Designee is the entity with which the customer entered into the installation contract. If the customer signed an installation contract with the Designee, and the Designee subsequently became unavailable, the customer's project will be considered an eligible stranded project. However, the Agency notes that it would expect the value of the REC adder to be primarily retained by the new Designee, and not the Approved Vendor aggregator.~~

~~If the customer's installation contract was with the Approved Vendor (and for example, the Designee was a subcontracted installer), the Approved Vendor would be responsible for following through with its contractual commitments to the customer, regardless of whether the Designee installer went out of business, and the REC adder would not be available.~~

~~The Agency expects that there will be synergies between this initiative and the development of a restitution program (see Section 9.9). Stranded customers may be able to use payments from the restitution program to fix installation or other system issues, such that their solar project is then in a better position to be "unstranded." As noted above, the Commission approved the Agency's REC adder proposal in its entirety.~~

9.4.2.1.1.2 Reassignment of Stranded Projects when the Original Approved Vendor Is Unable to Execute Reassignment

The Agency has identified a related issue with respect to reassigning stranded customer projects to new Approved Vendors. All versions of the REC Contract to date require the original Approved Vendor to sign off on the reassignment. If a company goes out of business, there may not be any person left to make decisions or sign legal documents on behalf of the company. In this situation, the solar projects are essentially "stuck" with the original (defunct) Approved Vendor, and there is currently no path forward that would allow for reassignment to a new Approved Vendor.

The Agency is therefore proposing a revision to the REC Contract to allow for reassignment of projects in the place of termination. If an Approved Vendor goes out of business and has solar projects that are not reassigned, that Approved Vendor will likely eventually default on its REC Contract with the utility (for example, by not filing required reports). The utility may then issue a notice of default and may ultimately terminate the REC Contract. The Agency proposes to allow the utility to reassign project batches—without the approval of the original Approved Vendor—in place of termination, or in combination with termination. In other words, the utility would notify the original Approved Vendor of the default, but then instead of the utility terminating the Contract, the utility would have the option to, in consultation with the Agency, reassign batches or the entire Contract to a new Approved Vendor or multiple Approved Vendors (with the consent of the new Approved Vendor(s)). This approach could also allow for rebatching of projects before assignment. If any batches were left that were not assigned, only those would be terminated by the Contract termination. This approach would eliminate a barrier to reassignment of stranded projects, which is in many cases the best path forward for all parties. The Agency is aware that if the original Approved Vendor files for bankruptcy, there may be limitations on implementing this process while the bankruptcy proceeding is pending.

As with reassignments in many other situations, the customer would select the new Approved Vendor through approval of the reassignment.[817] The Agency expects that the customer would need to enter into a new contract with the new Approved Vendor. The Agency is aware that some customers may not have an incentive to enter into a contract with a new Approved Vendor and may not be interested in doing so. The Agency is interested in stakeholder feedback on whether it should create additional procedures or avenues to address this potential issue. One possibility might be an increase in the stranded customer REC adder, such that a portion could be passed through to the customer as an incentive to agree to the reassignment.

The Agency proposes that collateral posted by the original Approved Vendor be treated in the same way as if the utility were in fact terminating the REC Contract—such collateral would be forfeited as part of the settlement payment to the utility resulting from the Approved Vendor's default. The Agency seeks stakeholder feedback on all aspects of this proposal.

9.4.2.1.1.3 Transfer of Stranded Project Applications

The Agency also seeks feedback on whether it should create a process for transfer of Program applications for projects that are not yet under contract but are in process to that end, occurring in situations where the original Approved Vendor has gone out of business and/or is nonresponsive. This would allow new Approved Vendors to take over projects more easily, reduce work on the part of the Program Administrator (as compared to a process where a new Approved Vendor would submit an entirely new application), and provide a more streamlined process for customers. In particular, the Agency seeks feedback on whether information or materials contained in project applications may be considered confidential and/or proprietary business information.

9.4.2.1.1.4 Stranded Customer Projects when the REC Contract Is Terminated by the Approved Vendor or Through Bankruptcy

The Agency is also considering whether it should create a process or initiative to address instances where REC Contracts may be terminated through bankruptcy proceedings. If the termination is not at the option of the utility, but rather as part of the bankruptcy proceeding, the above proposal to allow to utility to reassign the REC Contract without the Seller's approval may not be feasible. If an Approved Vendor is voluntarily or involuntarily the subject of a bankruptcy proceeding, the bankruptcy court may determine that a REC Contract is subject to an automatic stay.[818] In this situation, the REC Contract could potentially be terminated if the bankrupt entity does not want to assume the contract or is unable to meet the required showing for assumption of the contract. If the utility has already made incentive payments, and the contract is terminated after such payments are made, the utility may no longer have rights to the RECs from the project (and also may be unable to successfully claw back payments already made).

The Agency is interested in stakeholder feedback on whether it should explore avenues for such projects to continue to participate in the relevant Program to facilitate the continued inclusion of

[817] Under current processes, customer agreement to reassignment of the REC Contract to a new Approved Vendor is required unless the customer's contract with the original Approved Vendor allows that original Approved Vendor to unilaterally reassign the contract to a new Approved Vendor.

[818] The Agency is investigating the circumstances under which a REC Contract likely would or would not be subject to an automatic stay pursuant to a bankruptcy proceeding, which may depend on whether the REC Contract is found to be a forward contact and/or an executory contract under bankruptcy law.

such RECs being counted toward RPS compliance. From one perspective, a primary goal of the programs is to incentivize the development of new solar projects – this policy goal may be deemed as met even if the RECs no longer flow to the utility and are subsequently retired. The Agency could update its relevant publications to not only report on actual RECs that have been obtained through transfer under active REC Contracts, but to also estimate the impact from all projects that were incentivized through the programs (such as those from REC Contracts that were terminated as a result of an Approved Vendor bankruptcy and therefore did not perpetuate a transfer of the RECs to the utility). A challenge to this approach, however, is the risk of potential "double counting," if after termination of the REC Contract, the Approved Vendor sold the RECs elsewhere and the Agency also "counted" the environmental benefits of the project's generation. This risk could possibly be mitigated if the irrevocable standing order in the REC tracking system is not terminated.

Another possible approach would be to create an avenue for reapplication of projects to the Program if the REC Contract is terminated (through a different Approved Vendor). This would allow the utility to once again have rights to the RECs generated by the system. A prevailing concern with this approach would be that the utility would in some ways be "paying twice" for the same RECs if the utility was unable to claw back the original payments (even though absent reapplication, the utility would not have rights to remaining RECs). A solution to the concern might be to structure the reapplication avenue to approximate a reassignment as closely as possible—in other words, the REC Contract for the project would pick up where the terminated Contract had left off, but with at least some payment to the new Approved Vendor (potentially the stranded customer REC Adder, if it was deemed sufficient to incentive the reapplication).

A third possible approach could be to amend the REC Contract to allow for a third-party entity (selected in advance by the Program) to step in to take over administration of the REC Contract, including reporting and potentially ongoing maintenance, if the original Approved Vendor were to default. This would essentially be the model of having an entity serve as an "Approved Vendor of last resort." The primary concern with this approach is the level of complication with developing such an option – including selecting an entity (the IPA, the Program Administrator, an Approved Vendor, or some other option), creation of an agreement, structuring the provisions included or not included under the agreement, and developing the fee to be provided to the entity. Additionally, there is a major concern as to whether REC Contract provisions providing for the take over of the REC Contract could survive termination through bankruptcy. Utilization of this solution, however, could reduce the amount of double payment by the utility, would support the utility continuing to obtain the created RECs, and support an ongoing positive customer experience concerning system operation and maintenance that supports a healthy program.

The Agency seeks stakeholder feedback on whether it is critical that the utility have contractual rights to the RECs from all incentivized projects and, if so, what avenues might best achieve that goal. Stakeholders are encouraged to identify related issues and implications beyond those identified above, evaluate the conceptual designs put forward as potential solutions in the pursuit of obtaining the RECs following a REC Contract termination, and to propose additional ideas to address the relevant concerns.

9.4.2.1.2 Escrow Process for Approved Vendors that Do Not Pass Through Promised Incentive Payments

~~Another consumer protection concern that has arisen specifically in the context of Illinois Shines DG customers is~~In the 2024 Long-Term Plan, the Agency outlined an escrow process to address the situation where some Approved Vendors have told the customer that they would pass through some or all of the REC incentive payment, and then have not actually passed through that money. ~~While the Agency can take disciplinary action against Approved Vendors who fail to comply with contractual requirements and marketing statements, the Agency is not a party to the REC Contract and generally does not have authority to interfere with the flow of money for projects that are under contract between the utility and the Approved Vendor. This means that an Approved Vendor may be suspended from the Program for not passing through promised REC incentives, but may still receive REC incentive payments from the utility for projects under REC Contracts in the Program that predate the Approved Vendor's suspension~~The Agency held a stakeholder process in Fall 2024 to further develop the details and incorporated the escrow process in the amendment of the REC Contracts in early 2025. In June 2025, the Agency published a rationale document and announced the launch of the escrow process.[819] An overview of the process is provided below.

~~The Agency intends to develop an escrow process to be activated in situations where an Approved Vendor is very likely not going to pass through promised incentive payments to customers. An outline of the Agency's plan is provided here, and the Agency will fully develop the initiative now that the Commission has approved the Long-Term Plan. The escrow process will address a different situation and benefit a different set of customers than the REC adder for stranded projects. The escrow process will complement the restitution program (see Section 9.9) by hopefully reducing the number of customers who ultimately seek a restitution payment.~~

Funding: The necessary administrative costs will be paid out of the general RPS collections fund held by the public utilities. The Agency ~~intends to~~will use a third-party ~~professional escrow service as the~~ escrow agent to hold the funds and process payments. If the escrow process is implemented for an Approved Vendor that is suspended from the Program, repayment of escrow fees may be considered as a requirement for re-entry. In addition, the Program Administrator may condition re-entry on the Approved Vendor no longer making offers that include a lump-sum REC payment pass-through.

Activation of Escrow Process: The escrow process would be activated when there is a high likelihood that the Approved Vendor would not pass through promised REC incentive payments to customers. ~~For example, this would be the case if the Approved Vendor has demonstrated a pattern and practice of not passing promised REC incentive payments through to customers. The escrow process might also be used when an Approved Vendor files for bankruptcy. The Program Administrator would also be empowered to~~The Program Administrator may initiate the possible application of the escrow process if it has received at least five facially credible complaints within a 180-day time period from customers who did not receive their promised REC incentive from the same Approved Vendor. If the Program Administrator becomes aware of possible issues with an Approved Vendor passing through promised payments, the Program Administrator may reach out directly to customers to gather additional information, which may lead to additional

[819] See https://illinoisshines.com/wp-content/uploads/2025/06/Illinois-Shines-Escrow-Rationale-Document-13June2025-final-for-publication.pdf.

complaints. The Program Administrator and the Agency will retain the discretion to *not* move forward with implementing the escrow process, however, even if five complaints are filed. In addition, the Program Administrator will only move forward if the Approved Vendor has projects in the Program for which some or all of the REC payments have not yet been paid. The Program Administrator would be empowered to potentially apply the escrow process to close affiliates of an Approved Vendor that is required to use the escrow process.

~~In addition,~~To begin the ~~following requirements would need to be met:~~

- ~~The Approved Vendor at issue has promised to directly pass through part or all~~ potential initiation of the ~~REC incentive payment to one or more customers;~~
- ~~The Approved Vendor has projects participating in the Program where some or all of the REC incentive payment(s) have not yet been paid to the Approved Vendor by the utility; and~~
- ~~The contracting utility agrees with the Program determination to implement the~~ escrow process ~~for the specific Approved Vendor.~~

~~In determining whether the Approved Vendor has a pattern and practice of not passing through REC payments, the Program would *not* consider delays in application processing by the Program Administrator. The determination would be based only upon the Approved Vendor *receiving the incentive payment* and then *not passing it through* to the customer as promised in a reasonable amount of time. The Program Administrator would not be required to take disciplinary action against the Approved Vendor before the escrow process can be triggered. The Agency wants to be able to swiftly implement the escrow process when appropriate, and expects that in some situations, the disciplinary and escrow processes will be triggered simultaneously.~~

~~Once the above requirements have been met~~, the Program Administrator would notify the Approved Vendor~~, who~~ (and any potential affiliates to whom the escrow process might apply) of the potential application of the escrow process, and the Approved Vendor (and any affiliates) would then be provided the opportunity to respond. If the Program Administrator still determined that the escrow process was appropriate, the relevant utility would be given the opportunity to review and object. If the utility does not object, the Program Administrator would notify the Approved Vendor that the escrow process will be implemented, and the Approved Vendor could appeal ~~the decision to implement the escrow process~~ to the Agency using the normal appeal process. If the Approved Vendor does not appeal, or the appeal is denied, the escrow process ~~could~~would then be ~~used~~implemented at the REC Contract level (that is, for ~~(1)~~ all ~~REC incentive~~ payments ~~for the~~ made under that Approved ~~Vendor at issue, (2) just for batches of projects~~Vendor's REC Contract where ~~there is~~any project included a promised pass-through payment ~~to the customer, or (3) only for payments for individual projects where there is a pass-through payment. The Agency also intends to provide a process by which an Approved Vendor may request to no longer be subject to the escrow process.~~). No more than once every 12 months, an Approved Vendor may submit ~~such~~ a request to the Program Administrator~~.~~ to have the escrow process no longer apply. The burden would be on the Approved Vendor to demonstrate that there is no longer a risk that it would fail to pass through promised REC incentives.

Escrow Process: Once the escrow process has been activated, the Program Administrator ~~would~~will notify the impacted Approved Vendor and the affected customers. The Approved Vendor ~~would~~will continue invoicing as normal and on the pre-existing schedule, and the utility ~~would~~will make the payment to the escrow agent instead of directly to the Approved Vendor. For each of the Approved Vendor's projects that is still receiving REC payments (for Small DG, this would mean the payment had not been made; for Large DG, this would mean at least one payment was remaining), the Program Administrator ~~would~~will determine the proper disbursement of the payment. The Program Administrator ~~would~~will review the Disclosure Form (if generated on or after June 1, 2023) and any contracts and other relevant documentation submitted by the Approved Vendor or customer to determine how much of the REC incentive payment should be disbursed to the customer, and how much (if any) should be disbursed to the Approved Vendor. The Program Administrator would provide its recommendation to the Agency. The Agency ~~would~~will review the recommendation~~,~~ and ~~while it would~~ consult with the applicable utility, though the ultimate determination of the payment amount ~~would by~~will be made by the Agency~~, which would approve~~ through approval or ~~modify~~modification of the Program Administrator's disbursement proposal. Upon final determination, the escrow agent ~~would~~will make the disbursement. This approach is consistent with the Commission's Final Order in Docket 23-0714 approving the escrow process.[820]

~~The Agency previously held the position that it did not have authority to interfere with the flow of REC incentive payments to Approved Vendors under existing REC Contracts. The Agency's 2022 Long-Term Plan explained,~~

> ~~The Agency does not believe that the authority to "revoke a vendor's ability to receive program-administered funding *status*" is the same as authority to revoke a vendor's ability to receive program-administered *funding*—such as through the suspension of REC delivery contract payments—which the counterparty utility is contractually obligated to provide for REC deliveries, unless that consequence follows as a violation of certain REC delivery contract terms.[821]~~

~~The Agency therefore sought explicit Commission approval for the proposed escrow process in Docket No. 23-0714 approving this 2024 Plan. The Agency notes that under the escrow process, the Approved Vendor would still receive any REC payment amount beyond the amount promised to the customer.[822] In its Final Order, the Commission approved the Agency's proposed development of the Illinois Shines escrow process.[823]~~

The Agency is aware that ~~there is another circumstance under which customers may not receive promised incentive payments. Instead of Approved Vendors receiving the REC payment and failing to pass it through to the customers, Approved Vendors may instead choose to not invoice for the REC payment in the first place. This may be especially likely for Approved Vendors for whom the escrow~~

[820] Final Order at 113, ICC Docket No. 23-0714 (Feb. 20, 2024).

[821] ~~2022 Long-Term Plan at 9.3.3 (emphasis in original).~~

[822] ~~The Agency intends to develop an escrow process specifically for Illinois Shines, as that is where the Agency has seen unfulfilled promises to make lump-sum pass-through payments. The Agency is investigating the use of the delayed lump-sum payment pass-through model in ILSFA and whether it is consistent with ILSFA requirements. The Agency may initiate a stakeholder process to consider restrictions or a prohibition on this model in ILSFA, or to consider other approaches such as developing an escrow process for ILSFA as well.~~

[823] ~~Final Order at 113, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

~~process has been initiated—if the Approved Vendor~~ the escrow process will ~~only receive a small portion of the REC incentive payment from the escrow agent, it may have less incentive to submit the invoice. As the Agency is already planning several large new consumer protection initiatives in the 2024 Plan, it is hesitant to attempt to address this additional issue at this time. Instead~~be impeded if an Approved Vendor stops submitting invoices. When the escrow process is implemented, the Agency will actively monitor the situation ~~and determine~~, evaluating if ~~the issue of Approved Vendors not invoicing becomes a significant problem.~~an Approved Vendor's failure to invoice results in a situation where the escrow process defined above is undermined. If ~~so~~such an issue is identified, the Agency may consider the development of a new process by which the Program Administrator ~~may submit~~submits an invoice on behalf of an Approved Vendor that refuses to invoice (and that has promised to pass through REC incentives to customers).

9.4.2.1.3 Flexibility in Batching to Facilitate Project Reassignment

The Agency ~~also will~~has developed a process to allow Approved Vendors the flexibility to "unbatch" projects after Commission approval of REC Contracts in limited situations as needed to assist harmed customers, in both Illinois Shines and ILSFA. ~~In both Programs, solar projects must be "batched" into groups before they are sent to the Commission for approval. The individual projects or "product orders" remain in their "batches" for purposes of the REC Contract. The REC Contracts developed prior to the approval of this 2024 Plan do not allow individual projects to be reassigned to a new Approved Vendor~~The Agency developed a REC Contract amendment in late 2024 and early 2025 that explicitly allows for this unbatching.

~~The IPA has observed situations where the ability to "unbatch" and reassign individual projects after REC Contract execution could help address consumer protection concerns or resolve a customer complaint. For example, an Approved Vendor could have a batch that includes projects in both the Small DG and Large DG categories. If that Approved Vendor has promised that it will pass through REC incentive payments to customers, but has financial troubles and stops passing through payments, the mix of small and large projects creates complications because they have different pay-out schedules. The customers in the Large DG category may want to have their project assigned to a new Approved Vendor who can pass through the next several years of incentive payments. The Programs already allow for the reassignment of projects, but the REC Contracts developed for the Programs previously allowed for reassignment only at the batch level. Because Small DG category customers may have already received their payments, and have no future REC incentive payments, there is no incentive for a new Approved Vendor to take on the assignment of stranded Small DG projects.~~

~~Therefore, the Agency will allow batches to be split apart in limited circumstances, so that individual projects are available to be reassigned to a new Approved Vendor. The Agency intends to allow batching flexibility when:~~

The REC Contract provides steps for reassignment when, "[i]n connection with resolving consumer protection concerns, . . . the IPA determines that it would be beneficial for a Designated System to be removed from a Product Order and be reassigned to another Product Order." The Agency intends to allow batching flexibility when the Agency, in its discretion, determines that "unbatching" of projects would provide material benefits to one or more consumers who have been (or absent the rebatching, will be) harmed through their participation in Illinois Shines or ILSFA~~;~~. The REC Contract also requires that the Approved Vendor and contracting utility agree to the unbatching.

- ~~the Approved Vendor agrees to the "unbatching;" and~~
- ~~the contracting utility agrees to the "unbatching."~~

In order for unbatched projects to be reassigned to a new Approved Vendor, both the current and new Approved Vendor would have to agree and would follow the normal reassignment process ~~(except that only one or more specific projects from the original batch would be reassigned, rather than the entire batch).~~

9.4.2.1.4 Other Illinois Shines DG Consumer Protection Issues

~~Prior to drafting the 2024 Long-Term Plan, the Agency also asked for stakeholder feedback on the idea of prohibiting or restricting the model where Approved Vendors directly pass through the REC incentive to customers *as a lump sum payment, after* the Approved Vendor receives the REC incentive payment from the utility. (This is in contrast to the model where an Approved Vendor indirectly passes through the value of the incentive through *an up-front discounted* purchase price, lease payments, or PPA pricing.) The lump-sum delayed pass-through model can raise consumer protection concerns, and it is the primary model where stranded customers are seen. The delayed pass-through model shifts the risk of late REC incentive payments, or of a project not being approved by the Program, to the customer. For example, if an Approved Vendor passes through the value with an up-front discounted purchase price, then if the project does not comply with program requirements and fails to be approved, it is the Approved Vendor who suffers the loss of the incentive payment. With the *delayed* pass-through model, it is likely that the customer would bear the loss if the incentive payment is never made. While the Agency sees consumer protection drawbacks in the delayed pass-through model, the Agency is concerned that prohibiting or restricting this model may be disruptive to many companies' business and may have unintended consequences. At this time, the Agency plans to use the REC adder for "rescued" projects and the development of an escrow process to address consumer protection concerns, rather than limiting the delayed pass-through business model. However, the Agency will continue to monitor the situation and may reassess in the future.~~

~~Another consumer protection issue that the Agency is aware of, but is not currently planning any Program modifications to address, deals with whether and how Approved Vendors pass through project underperformance risks to customers. Under the REC Contract between the Approved Vendor and the utility, the Approved Vendor is responsible for underperformance of solar projects (i.e., if the solar project generates fewer RECs than stated in the REC Contract.) The IPA's understanding is that some Approved Vendors essentially pass through collateral drawdown liability to customers. That is, the Approved Vendor's contract with its customer may require the customer to pay for collateral drawdown if the customer's project does not generate the expected number of RECs. There are many reasons why a project might underperform; some may be in the control of the customer (such as disconnecting or removing the project for roof repairs), but projects might also underperform if they were improperly designed or improperly installed. If the Approved Vendor passes through obligations for underperformance, the customer bears the risk but may not be in the best position to manage this risk. However, the Agency wishes to better understand the benefits and drawbacks of restrictions on passing through the underperformance risk before proposing changes to Program requirements.~~

The Agency is aware of additional consumer protection issues relevant to Illinois Shines DG customers for which the Agency will seek to evaluate and potentially implement processes to mitigate or otherwise abate such issues. This includes: (a) potential risks related to the solar loan

financing industry, and (b) inherent risks in the model where Approved Vendors promise to pass through part of the Illinois Shines REC incentive payments to customers following receipt of such payments. The Agency is also considering the development of bonding requirements to further protect customers from financial harm.

First, the Agency has become increasingly concerned about the impact of the solar loan financing industry on Illinois solar customers. Although solar financing is an important tool that can make solar more affordable, the ways in which solar loan products are marketed and sold have the potential to lead to deceptive, confusing, or otherwise problematic financial practices. In particular, the Agency is concerned about select situations in which solar vendors work with solar financing entities to sell solar projects and loans in a package deal. In this situation, solar vendors may be paying the financing entity certain fees (called "seller's points" or sometimes "dealer fees") for the right to offer customers a loan with a lower interest rate and then potentially including the fees in the cost of the installation without the customers' knowledge. Customers may not be aware that they are signing a loan agreement with the solar sales agent, that the solar loan and the solar project are separate products, or that they have the option to finance their solar project through a different financier. In some instances, solar vendors may have entered into exclusive partnerships with the financing entity and are thus prevented from working with customers who wish to obtain loans from other lenders, a situation that can potentially lead to high pressure sales tactics from solar vendors. Lastly, the Agency is aware that some financing entities may be disbursing the loan money directly to the installer in such a way that is confusing to customers and may lead to additional consumer protection concerns. For example, if the solar installer receives the loan money and then goes out of business before completing the installation (or there are issues with the project not working properly), the customer may be forced to make loan payments for a system that is not generating power or financial benefit.

In the request for stakeholder feedback for this Long-Term Plan, the Agency indicated that it intended to propose new requirements related to financing entities in the 2026 Long-Term Plan, including potentially requiring certain financing entities to register with the Program. Although the stakeholder feedback was supportive of registration requirements for financiers, the Agency has since determined that it does not have sufficient information about the nature and mechanics of the relationships between solar vendors and financing entities to propose requirements at this time.

Instead, the Agency is proposing to require that Approved Vendors and Designees registered with the Illinois Shines program submit information about their partnerships with financing entities. For vendors that are already registered with the Program, the Agency would notify the registered vendors of the information request and provide at least 45 days for the vendors to submit the information. The Agency may also amend the application for Approved Vendors and registration form for Designees to include these questions. Individual companies' responses to these questions will not be made public by the Agency. In addition, Approved Vendors and Designees may mark their submissions as confidential and the Agency will treat the information as such. However, the Agency may publicly use aggregated anonymized information from the information requests, such as to support the develop of related Program requirements.

Requested information could include the following or similar questions:

1. Do you have any formal or informal partnerships or agreements with an entity that provides loan financing to customers (financing entity)?
2. If yes, please answer the following questions:

a. Provide the name(s) of the financing entities with whom you have a partnership or agreement.
b. What is the nature of the partnership(s) or agreement(s) – i.e., did you enter a contract?
c. When did you enter this partnership(s) or agreement(s)?
d. Does your partnership have exclusivity requirements? In other words, must customers who purchase projects from you finance with the lender with whom you are partnered? Are you permitted to sell projects to customers who wish to finance with outside lenders or to customers who choose not to finance?
e. Do you or your Designees or sales agents provide information, materials, or documents to be signed, related to the financing offer, to the customer? If so, what is provided and when does the customer sign any such documents, if relevant?
f. Have you paid, or in the future is it contemplated that you would pay, the financing entity any amount of money as part of the partnership or agreement?
    i. If yes, how much have you paid the financing entity in total?
    ii. How often do you (or will you) make payments to the financing entity?
    iii. How is the amount of money that you pay to the financing entity determined? Is it a lump sum? Is it per project?
g. Does the financing entity play any role in determining the price of the final project that you offer to a particular customer? In other words, does the financing entity give you any advice/directive about what price you must offer to a particular customer?
h. Does the partnership or agreement create any restrictions on or requirements for the "cash price" that you offer to customers who choose not to finance?
i. Has the financing entity provided you with training (either written or verbal) about how to advertise their financial products to customers?
j. When, how, and to whom is the loan money disbursed? If the financing entity disburses funds to an entity other than the customer, does the customer sign off before such disbursement?

Once the Agency collects responses to these questions from Approved Vendors and Designees, it may determine that additional Program requirements related to financing should be implemented for both Approved Vendors and Designees as well as financing entities. The Agency is requesting explicit authorization from the Commission to develop such requirements through a stakeholder process following the approval of its 2026 Plan, informed by the responses provided by Approved Vendors and Designees. This may include implementation of a registration requirement for financing entities (or some subset thereof, such as financing entities that partner directly with solar vendors and that finance projects intended to be submitted to the Program). The Agency commits to using a stakeholder process to develop any such requirements if implemented between Long-Term Plans.

Second, the Agency has considered whether it should implement any restrictions or additional requirements in Illinois Shines related to the model where the Approved Vendor promises to pass through part of the Illinois Shines REC incentive payment, once received by the Approved Vendor. This model creates risk that is primarily borne by the customer—if there is a problem with the project application, a delay in the pass-through payment, misuse by the Approved Vendor of the money, and/or the Approved Vendor goes out of business, the customer may not receive the promised payment on the expected timeline (or possibly at all).

The Agency is optimistic that the new escrow process and Solar Restitution Program will address or at least mitigate many of the consumer protection issues related to this model. The Agency also acknowledges that there are benefits of this "pass-through" model. An alternative model might be for vendors to provide an up-front discount on the purchase price for solar projects; however, this requires the vendor to have significant capital in order to "front" the value of the incentive (and could possibly require the vendor to have enough capital to "front" the entire project cost), and requires the Approved Vendor or Designee to bear the risk of a delayed incentive payment. Many smaller vendors may not have the capital or risk appetite for this model. In addition, due to the increased risks and costs to the vendor, the "up-front discount" model may be associated with discount that is less than the pass-through payment would be—in other words, if the customer is financially in a position where they can wait for a later pass-through payment, that may be more economically advantageous.

The Agency believes a blanket prohibition on the pass-through model is unnecessary and would likely create significant disruption to the market. However, the Agency is requesting explicit authorization to create limited restrictions on the pass-through model, if it determines that such restrictions are appropriate and necessary to protect customers. For example, a prohibition on the pass-through model may be appropriate as part of disciplinary action, or for newly admitted Approved Vendor without an established track record. There may also be additional requirements (such as proof of payment or use of an escrow agent) that may be useful to apply, in some situations, to Approved Vendors who are using the pass-through model. The Agency would commit to using a stakeholder process to develop any such requirements or restrictions, if implemented between Long-Term Plans.

Finally, the Agency is considering the effect of a security bond requirement on vendor participants in the Illinois Shines program. As discussed in Section 9.9 of this Long-Term Plan, the Agency is in the process of implementing a Solar Restitution Program that provides economic assistance to customers who have been harmed through their participation in either Illinois Shines or Illinois Solar for All. However, the funding source for the Solar Restitution Program may not be sufficient to cover all financial harm, and the Agency is exploring alternative ways to expand the tools that can be used to compensate customers. One such way would be to require that Approved Vendors (and potentially Designees) purchase a security bond in an amount determined to be reasonable by the Agency before they may participate in the Illinois Shines program. Customers who have experienced financial harm due to a vendor's violation of one or more Program requirements may then be required to file a claim against the security bond before they may file a claim with the Solar Restitution Program. The Agency is conscious that large security bonds are expensive and may deter smaller businesses from participating in the Program. As a result, the Agency may consider a system in which the size of the security bond that a vendor must purchase is dependent on the size of the vendor. The size of the vendor may be determined using a metric such as the number of projects that the vendor submitted to the Program over a certain time frame.

At this time, the Agency is not proposing to implement a security bond requirement on vendor participants. Rather, it is requesting explicit authorization by the Commission to implement such a requirement at a future time should the Agency determine that the requirement would best serve the needs of Illinois Shines customers without creating undue burden on vendor participants. The Agency continues to gather information about how a security bond requirement would work in the context of the Illinois Shines program. In addition, the Agency is waiting to implement any security

bond requirement until the Solar Restitution Program is more fully implemented so it can determine how much funding will be required to sustain the Solar Restitution Program and whether additional tools will be necessary to help make customers whole. The Agency would commit to using a stakeholder process to develop any security bond requirement, if implemented between Long-Term Plans.

9.4.2.2 Illinois Shines DG Contract Requirements

The Initial Long-Term Plan stated that, for distributed generation installations, the IPA and its Program Administrators would develop "a list of contract requirements" to be provided to Approved Vendors for the system purchase contract, lease, or power purchase agreement ("PPA") between the Approved Vendor (or its agent) and the customer. After approval of the Initial Plan through Docket No. 17-0838, the Agency (through a stakeholder comment process) developed minimum contract requirements applicable to solar project sales, solar project installations, and community solar subscriptions. These Contract Requirements were developed and released for ~~program~~Program participants on January 23, 2019, and have applied to transactions supported by the Program since the onset of Illinois Shines.

Public Act 102-0662's changes to 1-75(c)(1)(M) reinforce the Agency's authority for developing these requirements as a condition of participation in its incentive programs. To date, the Illinois Shines Contract Requirements have generally taken the approach of a minimum set of items that need to be expressly addressed through the contract, rather than minimum baseline terms intended to benefit customers (such as customer savings requirements, Operations & Maintenance terms, PV system capacity factor/efficiency, etc.). The current Contract Requirements are published on the Program website and include terms that apply for all financing models (such as a right of rescission, design specifications, and details of warranties and guarantees), as well as terms specific to purchases, leases, and PPAs.[824]

The Illinois Shines DG Contract Requirements for the ~~2024-~~2025-2026 Program Year are included in Appendix H. ~~No substantive edits are planned from the version published for the 2023-2024 Program Year.~~

9.4.2.3 Illinois Shines Community Solar Consumer Protection Concerns

~~There are~~ The Agency has implemented additional consumer protection ~~concerns~~ provisions that are specific to community solar projects, including in the Consumer Protection Handbook and the Community Solar Contract Requirements, addressed below. While a subscription to a community renewable generation project is not the same as the installation of a distributed generation system, it does bear similarities to taking supply service from an Alternative Retail Electric Supplier.

Based on ARES practices, the Agency recognizes that door-to-door marketing of community solar subscriptions may be of particular concern because of the information asymmetry between the salesperson and the consumer and the potential for high-pressures sales tactics. Consumers may feel put "on the spot" by in-person sales agents on their doorstep, and may be pressured into signing an agreement before the customer has an opportunity to fully review the ~~program~~Program brochure, Disclosure Form, subscription agreement, and any other relevant documents. An "on the spot" sign-

[824] ~~See https://illinoisshines.com/wp-content/uploads/2023/06/IL-Shines-DG-Contract-Requirements-Final-4.17.23.pdf.~~ See https://illinoisshines.com/wp-content/uploads/2025/05/IL-Shines-DG-Contract-Req-Clean-Final-Edits-for-PY25-.pdf.

up process also discourages customers from doing their own research or from comparing offers from multiple providers. The Agency strongly encourages marketing channels that support the customer's ability to fully understand the offer and make an informed decision in an unrushed process without pressure from a sales agent.

~~Illinois Shines has seen an increase in complaints related to community solar, from only one complaint in 2021 to 22 complaints in 2022, eight of which were primarily about misleading marketing. The Agency received several complaints in 2023 about door-to-door marketing of community solar, including complaints that sales agents have made misrepresentations to consumers and failed to comply with restrictions on marketing in multi-family buildings. The Agency and/or its Program Administrators may conduct additional monitoring of Approved Vendors and their Designees (and/or their partners/affiliates) that utilize door-to-door and other in-person marketing and reserve the right to request the Approved Vendor or Designee provide additional documentation of those marketing channels including, but not limited to, access to door-to-door sales agent tracking information and third-party verifications. The Program Administrators may also direct community solar providers who have repeated or egregious violations of program requirements to take specific corrective action or follow a compliance plan, or the Program Administrators may issue a warning or take disciplinary action, such as a suspension.~~

~~Community Solar Offers where the Provider Takes Over Management of the Customer's Utility Account~~

~~Another set of community solar consumer protection concerns revolves around a model (currently only seen in Illinois Shines) under which the customer must sign an agency agreement giving authority to the community solar provider to take over management of the customer's utility account. The community solar provider sends one bill to the customer each billing cycle, which includes the community solar subscription charge, and the customer's utility charges. The community solar provider in turn then pays the customer's utility bill. Under this agency model, the community solar provider often has broad authority to manage and make changes to the customer's utility account. The community solar provider also may not be contractually required to pass on information from the utility to the customer and may change the customer's online utility account log-in information. The customer may lose access to details from their utility bill and other important information or notices about their utility service. If a customer cancels the community solar subscription, it may be difficult for them to regain access to their utility account if the log-in credentials have been changed.~~

~~The Agency is establishing new requirements for what information community solar providers who use this agency model must provide to customers. Specifically, the IPA will require that community solar providers who take over management of the customer's utility account and provide a single bill to the customer (that includes utility and community solar charges) must:~~

- ~~Provide a link in the community solar billing statement to a copy of the customer's utility bill, or include an attached copy of the utility bill;~~
- ~~Include language in the community solar billing statement along the lines of, "[Name of community solar provider] is your community solar provider and also manages your [name of utility] electric utility account. You may view your electric utility bill, which [name of~~

community solar provider] will pay on your behalf, by [insert instructions for viewing electric utility bill]."

- Include the following information in each community solar billing statement:
  - The customer's kWh usage for the billing period;
  - The customer's kWh rate, or if the rate varies throughout the billing period, the average kWh rate during that billing period;
  - The name of the customer's electric supplier (utility or Alternative Retail Electric Supplier);
  - The kWh generation from the community solar subscription and dollar value of the credits; and
  - The amount of the accumulated community solar credits (if any) that will roll over to the next month; and
- Provide the customer with the new electric utility account log-in information if the community solar provider changes the customer's utility account log-in credentials.

The above new requirements are included in the Consumer Protection Handbook included in Appendix H. The Agency requested Commission confirmation that it would retain the authority to adjust the specific information requirements, if appropriate, between Long Term Plan proceedings.

Illinois Shines Community Solar Offers Marketed to Low-Income Customers

The Agency has recently become aware that some Illinois Shines community solar providers are specifically marketing to low-income individuals and performing income verification for potential customers. The Agency's understanding is that these community solar providers likely intend to seek the federal Low-Income Economic Benefit Bonus Credit (hereinafter "Bonus Credit"), under which the tax filer would be eligible for an increased federal investment tax credit for solar photovoltaic projects of an additional 20% (so if the original credit was 30%, this bonus would increase it to 50%). A project is eligible for the Low-Income Economic Benefit Bonus Credit if at least 50% of the project's financial benefits serves low-income customers, and low-income customers pay no more than 80% of the value of the community solar bill credits as the subscription fee (sometimes referred to as a 20% "savings").

The Agency is concerned with Illinois Shines community solar providers marketing to low-income individuals when the Illinois Solar for All program is specifically designed to guarantee income-eligible customers a higher level of savings than required by the federal program. ILSFA has additional consumer protections and requirements, such as the 50% savings requirement, that are not present in Illinois Shines. The Agency believes it is in the public interest to maximize the number of low-income customers who see a reduction of approximately 50% in their electricity supply costs, as opposed to 20%.

The Agency has considered whether it would be appropriate to prohibit community solar projects that take advantage of the Bonus Credit Program from participating in Illinois Shines. Instead, these projects could participate in ILSFA, or could choose to not participate in either IPA program (and forgo the state incentives in favor of federal incentives). A significant concern with this approach is whether the ILSFA program is adequately funded to support what could be a significant influx of community solar projects. The 2022-23 Program Year was the first year that the ILSFA community

~~solar subprogram did not end with a waitlist, and approximately 85% of the available budget was used by approved community solar projects.~~

~~The Illinois Finance Authority ("IFA") has applied for funding from U.S. EPA through the federal "Solar for All" program. The application includes a request for support to significantly expand the Illinois Solar for All Community Solar subprogram. If IFA's application is successful and the Agency receives significant funding for the ILSFA Community Solar sub-program, the Agency may consider prohibiting community solar projects who seek the Bonus Credit from also participating in Illinois Shines. This would hopefully drive more community solar projects to participate in ILSFA, creating more opportunities for greater economic benefits for low-income customers. At the time of the filing of the Final 2024 Long-Term Plan, the U.S. EPA has not announced whether additional funding for the expansion of the ILSFA Community Solar sub-program will be awarded under the IFA's application.~~

~~The Agency acknowledges that the interplay between federal and state incentives can raise complicated policy questions. As explained in Section 7.5, the Agency has decided not to adjust ILSFA community solar REC prices downward based on the potential availability of the federal ITC Bonus Credit. Given that projects may therefore take full advantage of both federal and state incentives, the Agency does not think it would be unfair to require community solar providers who *do* choose to take advantage of both sets of incentives to comply with a state-level policy determination that offers that are marketed specifically to income-eligible customers (and thereby create greater economic value for the project developers) should provide savings of at least 50% of the value of bill credits.~~

~~The Agency does have concerns about an approach prohibiting projects that benefit from the federal ITC Bonus Credit from participating in Illinois Shines. As noted, additional federal funding for ILSFA is uncertain, and without it, the ILSFA Community Solar sub-program may not be able to support the number of new projects that could be driven by the new Bonus Credit. The Agency does not want to implement a new requirement that could indirectly curb new community solar development. Further, some ILSFA community solar projects currently have waitlists. If ILSFA community solar projects are all full, then the approximate 20% "savings" on electricity supply offered by Bonus Credit projects (participating in Illinois Shines) may still be better than the zero savings if a customer is unable to enroll with any community solar because there are no projects with available capacity. The Agency also notes that a 20% "savings" on electricity supply is on the higher end of savings currently offered by Illinois Shines community solar projects.~~

~~In the 2024 Long-Term Plan filed with the Commission, the Agency proposed that until the Agency knows whether Illinois will receive federal funding to expand the budget for the ILSFA Community Solar sub-program and can develop a more permanent approach, the Agency would create a requirement to ensure that low-income customers who are targeted for projects seeking the Bonus Credit are aware that the ILSFA program exists and may be a better option for them. The proposal was that the Agency would develop a one-page notice about ILSFA that a community solar provider would be required to provide to a customer *prior to the customer signing a subscription contract* if the community solar provider was doing income eligibility screening and determined that the customer was income-eligible for purposes of the Bonus Credit Program or ILSFA.~~

~~However, in its Final Order approving the 2024 Long-Term Plan with modifications, the Commission stated that it was "not convinced" that the proposed handout would "increase awareness of or~~

~~enrollment in ILSFA" and that it might instead "lead to distrust and confusion."[825] The Agency is therefore not moving forward with the proposal to require Illinois Shines community solar providers who seek the federal Bonus Credit to provide a handout on ILSFA to customers.~~In the 2024 Long-Term Plan, the Agency explained there that had been an increase in Illinois Shines community solar complaints, from only one complaint in 2021 to over 20 complaints in 2022. Since the 2024 Long-Term Plan, community solar complaints received by the Illinois Shines Program Administrators have leveled out somewhat, with a possible increasing trend in 2025. Illinois Shines received 22 community solar complaints in 2023 and 15 in 2024. As of late July 2025, about 29 community solar complaints have been filed in calendar year 2025. The Agency is not proposing new requirements related to community solar in this Plan, but will continue to monitor community solar complaints and consider appropriate responses to consumer protection trends.

9.4.2.4 Illinois Shines CS Minimum Contract Requirements

The Agency requires that Approved Vendors and/or their Designees seeking or receiving REC delivery contracts to support community solar projects through Illinois Shines must comply with minimum Contract Requirements. The current Community Solar Contract Requirements are available on the Illinois Shines website and include requirements such as pricing information and all recurring and nonrecurring charges, the contract duration, and early termination policies. The document also explains requirements related to the portability and transferability of community solar subscriptions.[826]

A copy of these requirements ~~with minor edits to correct clerical errors~~for the 2025-26 Program Year is included in Appendix H.

9.4.3 ILSFA Program Requirements

Like Illinois Shines, Illinois Solar for All requirements are outlined in this Plan and through additional documents developed by the Agency and the Program Administrator to facilitate the administration of the program. Program requirements for participants in ILSFA are laid out in Chapter 8 of this Plan and detailed in the Approved Vendor Manual ("AV Manual"), Contract Requirements for income-eligible Community Solar as well as for income-eligible Residential Solar and Non-Profit and Public Facilities, and the CP Handbook. Approved Vendors and Designees are required to be familiar with and comply with all ~~program~~Program requirements in order to remain in good standing with the Program.

While Chapter 8 of this Plan outlines the primary goals and requirements for ILSFA, detail regarding the implementation of those requirements is explained in the AV Manual, which provides necessary detail on requirements across all ~~program~~Program categories and processes. As such, some items related to the consumer protection provisions in Section 1-75(c)(1)(M) of the IPA Act (such as the processes for Approved Vendor applications, Designee registrations, and project inspections) are outlined in the AV Manual. The Agency, along with the Program Administrator, updates the AV Manual on a regular basis to ensure that requirements are in step with the ~~program~~Program as it develops. ~~The AV Manual is being updated for the 2024-25 Program Year.~~

[825] ~~Final Order at 117, ICC Docket No. 23-0714 (Feb. 22, 2024).~~

[826] ~~See https://illinoisshines.com/wp-content/uploads/2023/06/IL-Shines-CS-Contract-Requirements-Final-4.17.23.pdf.~~ See https://illinoisshines.com/wp-content/uploads/2025/04/IL-Shines-CS-Contract-Req-Clean-Final-Edits-for-PY25.pdf.

When discussing consumer protection requirements applicable to the ILSFA program, it is important to consider the communities that the Program was designed to serve. Low-income communities have been historically underserved by programs that offer resources and incentives for energy, housing, and access to capital, and as a result have had very low participation in the clean energy economy generally. This low participation level has created a significant information gap within such communities. At the same time, low-income communities have often been targeted with false or deceptive marketing practices, predatory sales, unfair contracts, and low-quality workmanship. The requirements for consumer protections within the Illinois Solar for All program are designed to address these realities.

In addition to the AV Manual, there are several other consumer protection documents within ILSFA that set forth requirements or are essential for compliance with those requirements, including:

- CP Handbook, which replaced requirements previously found in Consumer Protections for Low-Income Distributed Generation and Consumer Protections for Low-Income Community Solar;
- Program brochures, available in both English and Spanish, for the following subcategories: Income-Eligible Residential Solar,[827] Income-Eligible Community Solar,[828] and Non-Profits and Public Facilities[829];
- Contract Requirements – minimum contract terms for the Community Solar subcategory as well as for Residential Solar and Non-Profits and Public Facilities; and
- Standard Disclosure Forms for distributed generation projects, differentiated by financing type, as well as for community solar~~; the new Disclosure Forms for residential projects were launched in July 2023, new forms for Non-Profit/Public Facility projects launched in August 2023, and community solar Disclosure Forms became available in October 2023~~.

The supporting documents as listed above work in concert with the AV Manual to ensure that ~~program~~Program participants (Approved Vendors and Designees) are aware of all ~~program~~Program requirements. These documents were developed and informed in part by the ~~program~~Program requirements for Illinois Shines and include specific additional requirements to ensure protections for higher-risk communities that are served by the Illinois Solar for All program. It is the Agency's hope that through development of these requirements, customers who encounter the Program are educated about the benefits and costs of photovoltaic ~~installation~~installations and/or community solar subscriptions. The Agency firmly believes that a well-informed Approved Vendor/Designee can ensure that customers have a positive experience and understand the Program and their offer. Therefore, the Agency goes to great lengths to ensure Approved Vendors/Designees are well informed, while simultaneously maintaining a focus on consumer education and protection.

As discussed above in Section ~~9.4.2.1.3,~~9.4.2.1.3, in limited circumstances, the Agency will allow "unbatching" projects for which there is already a Commission-approved REC Contract in both Illinois Shines and ILSFA. As explained above, this flexibility ~~would~~is only ~~be~~ available when

827 ~~https://www.illinoissfa.com/app/uploads/2019/05/0419-ILSFA-infosheet-distributed-generation-v10.pdf.~~ https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Residential-Solar-Brochure-English.pdf.

828 ~~https://www.illinoissfa.com/app/uploads/2019/10/0919-ILSFA-infosheet-low-income-community-solar-v11.pdf.~~ https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Community-Solar-Brochure-English.pdf.

829 ~~https://www.illinoissfa.com/app/uploads/2019/05/ILSFA-brochure-non-profits-public-facilities.pdf.~~ https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Non-Profit-and-Public-Facilities-Brochure-English.pdf.

necessary to assist harmed customers. In addition, as noted in Section 9.4.2.1.1.1, the Agency plans to extend the availability of the stranded customer REC adder to ILSFA in the future.

9.4.3.1 ILSFA Residential Solar and ~~NP/NF~~Non-Profit/Public Facility Contract Requirements

The Illinois Solar for All program provides incentives to benefit income-eligible customers and communities. As compared to Illinois Shines, the ILSFA contract requirements provide additional protections and guarantees in light of the Program serving more vulnerable populations. The Agency requires that Approved Vendors seeking REC delivery contracts for ILSFA Residential Solar (Small and Large) projects and Non-Profit and Public Facility projects must ensure that the customer contract complies with the published Contract Requirements.[830] Contract Requirements are available on the ILSFA website[831] and include requirements for all business models, such as a prohibition on upfront payments for Residential Solar (Small) projects, the requirement that costs cannot exceed 50% of the value of the electricity generated, warranty requirements, and right of rescission. Additional requirements are provided for purchases, leases, and PPAs.

Copies of the Illinois Solar for All Residential Solar and Non-Profit ~~/~~and Public Facility Contract Requirements ~~(both redline and final)~~ are included in Appendix H.

9.4.3.2 ILSFA Community Solar Contract Requirements

Similar to the additional considerations for income-eligible distributed generation projects, the Agency requires that Approved Vendors seeking REC delivery contracts associated with Community Renewable Generation Facilities participating in the Illinois Solar for All program must comply with the Contract Requirements.[832] The ILSFA Community Solar Contract Requirements are available on the ILSFA ~~webpage~~website[833] and require terms such as information on pricing and all recurring and nonrecurring charges, early termination information, the requirement that charges do not exceed 50% of the value of bill credits, and forbearance terms.

~~Updated versions of the~~The ILSFA Community Solar Contract Requirements ~~(redline and final)~~ are included in Appendix H ~~and include edits to implement the option for community solar providers to use "To Be Determined" Disclosure Forms when the specific community solar project has not yet been selected.[834]~~.

[830] These requirements also apply to contracts between Designees and participants.

[831] ~~https://www.illinoissfa.com/app/uploads/2023/04/ILSFA-DG-Contract-Requirements-Final-4.17.23.pdf.~~ https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Contract-Requirements-Residential-Solar-and-Non-Profit-and-Public-Facilities.pdf.

[832] These requirements also apply to Designees managing community solar subscriptions for an Approved Vendor.

[833] ~~https://www.illinoissfa.com/app/uploads/2023/04/ILSFA-CS-Contract-Requirements-Final-4.17.23.pdf.~~ https://www.illinoissfa.com/wp-content/uploads/2025/02/2025-2026-Contract-Requirements-Community-Solar.pdf.

~~[834] On August 14, 2023, the IPA and the ILSFA Program Administrator sought public comments on a proposal to allow ILSFA community solar providers to use "To Be Determined" Disclosure Forms, with specific requirements—these forms would be used when the community solar provider has not yet determined which specific community solar project the customer would be subscribed to at the point of enrollment. On September 27, 2023, the IPA and ILSFA Program Administrator published responses to comments and redline edits to be incorporated in the next versions of the Consumer Protection Handbook and ILSFA Community Solar Contract Requirements.~~

9.5 Standard Disclosure Form Requirements

Since the inception of the Illinois Shines and Illinois Solar for All programs, the Agency has required that standardized Disclosure Forms be provided to customers for their signature, with those customer-executed forms then submitted to the appropriate Program Administrator. The customer must sign their completed Disclosure Form prior to signing their contract. In its Order approving the Agency's Revised Long-Term Plan, the Commission provided analysis reinforcing the requirement that every individual subscriber to a community solar project participating in Illinois Shines or ILSFA must receive and execute an individualized standard Disclosure Form.[835] The Final Order in Docket No. 22-0231 reiterates this approval of requiring customer signature on individualized Disclosure Forms.[836] The specific provisions regarding Disclosure Forms, including how they are to be generated and executed, are outlined in the Illinois Shines Program Guidebook, ILSFA Approved Vendor Manual, and the Consumer Protection Handbook.

Section 1-75(c)(1)(M)(iii) of the IPA Act states that the Agency may "require direct program participants, including agents operating on their behalf, to provide standardized disclosures to a customer prior to that customer's execution of a contract for the development of a distributed generation system or a subscription to a community solar project." Materials for each Program specify that the customer must receive, review, and execute that Disclosure Form before that customer's execution of their contract for the distributed generation system or the community solar subscription.

~~In response~~The Agency made significant updates to ~~stakeholder feedback, the Agency developed new, streamlined~~ Disclosure Forms~~. The Agency filed example forms with the~~ in 2022~~ Plan~~-2023, and ~~further refined~~again in the ~~forms~~winter of 2024-2025 through a stakeholder process ~~in late 2022~~to reflect the change in net metering for residential and ~~early 2023. The new~~small commercial customers in the utility territories of Commonwealth Edison, Ameren Illinois~~ Shines Disclosure Forms were launched~~, and MidAmerican, as well as to provide information on ~~June 1, 2023. The~~batteries and utility rebates (applicable to Commonwealth Edison and Ameren Illinois~~ Solar for All Residential Solar Disclosure Forms were launched in July 2023; the Non-Profit / Public Facility forms were launched in August 2023, and Community Solar forms were launched in October 2023.~~).~~ All Disclosure Forms have the relevant informational brochure attached as the first two pages.

To support customer education, the Agency developed Disclosure Form supplementary guides that offer details and explanations specific to the type of solar project (distributed generation or community solar), financial arrangement (subscription, lease, PPA, purchase), and utility provider. The guides, referred to as Disclosure Form "Deep Dives," walk through the document, section by section, providing clear information and context to aid customers in understanding their Disclosure Forms. Additionally, there is a glossary of terms provided at the end of each Deep Dive. Each Disclosure Form includes hyperlinks to the Deep Dives.

The Disclosure Forms for both programs are available in English and Spanish, and the Deep Dives are currently provided in English~~, and the Illinois Shines Disclosure Forms are available in Spanish.~~. The

[835] Final Order at 7, ICC Docket No. 19-0995 (Feb. 18, 2020).

[836] Final Order at 149-150, ICC Docket No. 22-0231 (Jul. 14, 2022).

Agency plans to produce versions ~~of all of~~ the ~~Disclosure Forms~~Deep Dives in Spanish ~~and any other languages in which the informational brochures are provided~~.

Approved Vendors and Designees are not permitted to develop their own version of Disclosure Forms in lieu of the standard Illinois Shines or Illinois Solar for All forms, nor may Approved Vendors or Designees modify any portion of the form's standardized content. When the ~~Programs~~programs first launched, Disclosure Forms could be generated only through the Program Administrator's Portal. This portal-only process facilitated the Program Administrators' reviews of project applications by ensuring that no Approved Vendors or Designees modified the standard Disclosure Form. In response to requests from ~~program~~Program participants, the Program Administrators have developed approaches that can now be utilized by Approved Vendors and Designees to generate Disclosure Forms outside of the Program Portals so long as the content is unchanged. This process may be utilized by Approved Vendors/Designees only after obtaining permission from the Program Administrator(s) following confirmation that the Disclosure Forms are identical to those generated in the Portal. In this way, the Program Administrators can ensure that ~~program~~Program requirements are being met and that customers receive the required standardized (i.e., unmodified) forms.

The Agency requires that all electronically-signed Disclosure Forms generated outside of the Illinois Shines Portal must utilize a commercially-available third party e-signature platform in order to provide an independent audit trail of the customer's signature. Commercially available third-party signature platforms are systems that are available to the public under standard terms and conditions or are available at list prices offered to the public, such as DocuSign and Acrobat.

9.5.1 Illinois Shines Disclosure Forms

The Agency, in conjunction with its Program Administrator, developed standardized Disclosure Forms to be completed and provided to each ~~program~~Program participant for signature prior to contract execution. The standard Disclosure Form must be presented without modification to all customers who host a distributed generation project that will participate in the Program, as well as to all customers who enroll as subscribers to community solar projects participating in the Program. In its Order approving the Agency's Revised Plan in Docket 19-0995, the Commission provided analysis reinforcing the requirement that every individual subscriber to a community solar project participating in Illinois Shines must receive and execute an individualized standard Disclosure Form~~.~~, including in the case of attempted customer acquisition via mediums featuring more passive customer engagement (such as opt-out municipal aggregation).[837] The Commission reiterated its approval of this requirement in the Final Order in Docket 22-0231.[838] This requirement extends across all six distinct categories of the Program.

[837] See Final Order at 7, ICC Docket No. 19-0995 (Feb. 18, 2020). In the event that the Commission or another authoritative adjudicatory body determines that an opt-out municipal aggregation may legally include community solar subscription aggregation for a project participating in Illinois Shines or ILSFA, individually executed standard Disclosure Forms would still be required for each individual subscriber.

[838] See Final Order at 150, ICC Docket No. 22-0231 (Jul. 14, 2022).

For distributed generation projects, there are standard Disclosure Forms for project purchases, leases, and PPAs. The distributed generation Disclosure Forms provide important information in a standardized format, including:

- contact information;
- information on pricing, payment amount and timing, and fees (including collateral fees, if relevant);
- information on REC incentive payments, including amount of the expected payment and how much is passed on to the customer;
- information on the solar project itself, including installation, design, and project performance;
- information on any included battery (if applicable);
- information on net metering ~~(and the~~;
- information on utility ~~distributed generation rebate,~~ rebates (if applicable);
- information on maintenance, warranties and guarantees;
- information on what happens if the customer moves;
- information on early termination or completion of the contract (for lease and PPA); and
- estimates of the value of electricity produced by the project and estimated savings~~.~~ (for some customers and utilities).

The Agency provides standard electricity prices (and other inputs) to be used for the estimates of the value of electricity generated and savings to allow customers to make equivalent comparisons across multiple offers from developers. Standard Disclosure Forms must be presented to customers for review and signed by customers confirming that review prior to the execution of the underlying contract to ensure that customers understand the terms and conditions of their installation.

For community solar subscribers, the Disclosure Form includes:

- contact information;
- information on the community solar project (if known at the time of Disclosure Form generation and execution);
- information on the subscription, including size, term, and estimated production;
- subscription rate and payment information, including fees;
- information on early termination;
- estimates of total community solar bill credits, along with savings estimates or information on how to understand overall savings (this varies by rate structure);
- additional disclosures about offers where the customer must provide agency authorization to the community solar provider to manage the customer's utility account; and
- additional disclosures if the offer requires the customer to take electricity supply from an Alternative Retail Electric Supplier.

As with the distributed generation Disclosure Form, to acknowledge and demonstrate receipt and review, customers must execute the community solar Disclosure Form prior to execution of the underlying subscription contact. E-signatures are acceptable (and widely utilized given that community solar subscriber onboarding often occurs through online transactions), but to ensure the

integrity of customer execution, only using the Portal e-signature platform or commercially available third-party e-signature systems.

The Agency maintains that it is vital for customers to be provided with resources that explain both the state-administered incentive program in which the customer is participating as well as the agreement the customer is entering into with their Approved Vendor or Designee (whether that be a community solar subscription or the installation of a behind-the-meter distributed generation system). As such, the Agency intends to continue to provide educational materials through the Program's informational brochures (which are attached to the Disclosure Forms) as well as the Illinois Shines website (including the Disclosure Form "Deep Dives") and will continue to evaluate the need for additional educational materials and develop new resources as appropriate. As part of its commitment to consumer education, the Agency launched the Homeowner Handout Series in 2025 to help consumers make informed, confident decisions about going solar. This new Homeowner Handout Series is focused on on-site solar, with the first two handouts for Illinois Shines addressing how to select a solar company and solar loan financing.[839]

9.5.2 ILSFA Disclosure Forms

~~As with Illinois Shines, the Agency proposed a new set of redesigned ILSFA Disclosure Forms as part of the 2022 Plan to address general feedback that the forms need to be simplified and streamlined, as well as to address more detailed comments on specific disclosures. The new forms are designed to maximize consistency between Illinois Shines and ILSFA, while still tailoring the ILSFA Disclosure Forms to reflect program-specific elements. There are three new ILSFA Disclosure Forms for Residential Solar for the three financing types (purchase, lease, and PPA). Instead of having a separate single form for Non-Profits and Public Facilities (for all financing types), the new Non-Profit and Public Facilities ("NP/PF") Disclosure Form is based on the Residential Solar forms, with three different forms, adjusted for the NP/PF category. There is also a redesigned ILSFA Community Solar Disclosure Form that was launched in October 2023. The Agency expects that additional ILSFA forms, or modified versions of these forms, may need to be developed to accommodate new ownership models that may emerge with the encouragement of energy sovereignty. In the version of the 2024 Long-Term Plan filed with the Commission in October 2023, the Agency stated its intent to develop a Disclosure Form for "no cost" Illinois Solar for All offers (offers where the customer does not pay any charges or fees). Upon further exploration, it was discovered that current ILSFA participants do not see a need for this specialized Disclosure Form. In its Final Order, the Commission approved the Agency's amended decision that it "will develop a Disclosure Form for 'no cost' Illinois Solar for all offers if the Agency or the Program Administrator determines that the need exists."[840] The Agency committed to developing such a Disclosure Form if demand for it materializes in the future.~~As with Illinois Shines, the Agency redesigned the ILSFA Disclosure Forms in 2022-23 and then further updated the Disclosure Forms for Residential Solar and Non-Profit and Public Facilities (the subprograms for distributed generation projects) to coincide with the net metering changes for Commonwealth Edison, Ameren Illinois, and MidAmerican residential and small commercial customers in January 2025. The applicable ILSFA standard Disclosure Form must be presented without modification to all customers who host a distributed generation project that will participate in the program, as well as all customers who enroll as subscribers to community solar projects

[839] See https://illinoisshines.com/brochures-and-other-resources/.

[840] ~~Final Order at 117, ICC Docket No. 23-0714 (Feb. 22, 2024).~~

participating in the program. Standard Disclosure Forms must be presented to customers for review and signed by customers confirming that review prior to the execution of the underlying sales contract to ensure that customers understand the terms and conditions of their transaction. In its Order approving the Agency's Revised Plan in Docket 19-0995, the Commission provided analysis reinforcing the requirement that every individual subscriber to a community solar project participating in the Agency's programs must receive and execute an individualized standard Disclosure Form.[841] The Commission reiterated its approval of this requirement in the Final Order in Docket 22-0231.[842] This requirement extends across all four ILSFA categories.

The ILSFA Residential Solar and NP/PF Disclosure Forms include:

- contact information;
- information on pricing, payment amount and timing, and fees;
- information on REC incentive payments;
- information on the solar project itself, including installation, design, and project performance;
- information on any included battery (if applicable);
- information on net metering ~~(and the~~;
- information on utility ~~distributed generation rebate,~~ rebates (if applicable);
- information on maintenance, warranties, and guarantees;
- information on what happens if the customer moves;
- forbearance requirements in the case of default;
- information on early termination or completion of the contract (for lease and PPA); and
- estimates of the value of electricity produced by the project and estimated savings, including a calculation of savings as a percentage of the value of energy generated by the solar project.

The ILSFA Community Solar Disclosure Form includes:

- contact information;
- information on the community solar project (or possible projects, if the specific project has not been identified at the time of the generation of the Disclosure Form);
- information on the subscription, including size, term, and estimated production;
- subscription rate and payment information, including fees;
- information on early termination, transferring the subscription, and subscription renewal; and
- estimates of total community solar bill credits, along with savings estimates, including savings as a percentage of the value of energy generated by the subscription.

To acknowledge and demonstrate receipt and review, customers must execute the community solar Disclosure Form prior to execution of the underlying subscription contact; e-signatures are acceptable (and widely utilized given that community solar subscriber onboard often occurs through

[841] See Final Order at 7, ICC Docket No. 19-0995 (Feb. 18, 2020). In the event that the Commission or another authoritative adjudicatory body determines that an opt-out municipal aggregation may legally include community solar subscription aggregation for a project participating in Illinois Shines or ILSFA, individually executed standard Disclosure Forms would still be required for each individual subscriber.

[842] Final Order at 149-150, ICC Docket No. 22-0231 (Jul. 14, 2022).

online transactions), but to ensure the integrity of customer execution, only using the Portal e-signature platform or commercially available third-party e-signature systems.

The Agency maintains that it is vital for customers to be provided with resources that explain both the state-administered incentive program in which the customer is participating as well as the agreement the customer is entering into with their Approved Vendor or Designee (whether that be a community solar subscription or the installation of a behind-the-meter distributed generation system). As such, the Agency intends to continue to provide educational materials through the Program's informational brochures (which are attached to the Disclosure Forms) as well as on the Illinois Solar for All website (including the Disclosure Form "Deep Dives") and will continue to evaluate the need for additional educational materials specifically designed to meet the needs of the communities served by the Illinois Solar for All program. As part of its commitment to consumer education, the Agency launched the Homeowner Handout Series in 2025 to help consumers confidently make informed decisions about going solar. This new Homeowner Handout Series is focused on on-site solar, with the first ILSFA handout addressing how to select a solar company.[843]

9.6 Consumer Complaint Center and Related Reports

Section 1-75(c)(1)(M)(iv) of the IPA Act requires the Agency to establish one or more Consumer Complaint Centers to accept complaints regarding businesses that participate in, or otherwise benefit from, state-administered incentive funding through Agency-administered programs. Section 1-75(c)(1)(M)(iv) further requires that the Agency maintain a public database of complaints with any confidential or particularly sensitive information redacted from public entries.

In March 2020, the Illinois Shines Program Administrator launched an online consumer complaint report[844] that lists all consumer complaints received by the Program Administrator in an abridged format, identifying the entity about whom the complaint was filed, the entity's role in the program (i.e., Designee, Approved Vendor), and the date, subject, type, and status of the complaint.[845] The ~~database also identifies Approved Vendors and Designees that have been suspended from the program. Additional information related to suspensions and warnings for~~ Illinois Shines ~~participants is outlined in the~~Program Administrator also publishes a Program Violations Report,[846] which contains information about suspensions and recent warning letters, and is also available on the consumer protection section of the Illinois Shines webpage. The Illinois Solar for All Program Administrator began publishing a similar consumer complaint report in 2022, which is also available online.[847] The Illinois Solar for All ~~Program Administrator has not yet issued any warning letters, and the only ILSFA suspension issued to date was against an entity that was not registered with the~~website also includes a Program. Violations Report.[848]

[843] https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250324-ilsfa-homeowner-handout_selecting-a-solar-company-final.pdf.

[844] The current version of this report is available at ~~https://illinoisshines.com/violations-report-cp-complaint-report/.~~ https://illinoisshines.com/violations-report-cp-complaint-report/.

[845] To date, the Illinois Shines complaint report has also included information on suspensions, but since more detailed suspension information is already published in the Program Violations Report, the Agency proposes to no longer include suspensions in the complaint report.

[846] The current version of this report is available at https://illinoisshines.com/violations-report-cp-complaint-report/.

[847] ~~See https://www.illinoissfa.com/app/uploads/2022/03/ILSFA-Consumer-Protections-Database.pdf.~~ The Consumer Complaint Report is available at https://www.illinoissfa.com/consumer-protection-complaints/.

[848] The ILSFA Program Violations Report is available at https://www.illinoissfa.com/protecting-participants/.

The Illinois Shines Program Administrator also provides a toll-free consumer protection telephone hotline and web-based complaint ~~forms~~form, and the Program Administrator receives, responds to, and documents complaints about marketing practices, sales practices, installations, and other aspects of installing solar or subscribing to community solar. The Illinois Solar for All program also maintains a toll-free customer telephone line and a web-based complaint form for questions and complaints from customers. If Approved Vendors and/or Designees are not responsive to the Program Administrator during a complaint investigation or respond unsatisfactorily to the Program Administrator during the investigation of a complaint, that entity's Portal access may be shut off and the entity will be prohibited from generating Disclosure Forms or submitting Part I applications. Restricted Portal access may be lifted once the entity begins responding in a satisfactory manner.

9.7 Annual Complaint Report

Section 1-75(c)(1)(M)(v) of the IPA Act requires the Agency to provide an annual written report to the Commission documenting the frequency and nature of complaints arising from ~~its programs~~Illinois Shines and Illinois Solar for All, as well as any ~~enforcement~~disciplinary actions taken in response to those complaints. This statutory requirement mirrors an existing administrative requirement, as it was a provision of the Initial and Revised Long-Term Plans. The first such report, covering calendar year 2019, was provided to the Commission through a filing in Docket No. 17-0838. ~~The second and third~~Subsequent reports~~, covering calendar years 2020 and 2021, were~~ have been filed in ~~Docket No. 19-0995. The fourth report, covering calendar year 2022, was filed in Docket No. 22-0231 on March 31, 2023.~~the docket for the most recently approved Long-Term Plan. The most recent report, for calendar year ~~2023~~2024, was filed in Docket 23-0714 on February ~~29, 2024~~28, 2025.

The Agency will continue to provide an annual written report to the Commission documenting the frequency and nature of complaints and any enforcement actions taken. ~~As the programs have grown and changed since their inception, this annual report has consequently changed as well. Low numbers of complaints associated with the Illinois Solar for All Program have resulted in past reports titled as an "Adjustable Block Program" report, despite the fact that the report includes information on Illinois Solar for All complaints. The title of the 2022 report was updated to indicate the inclusion of Illinois Solar for All; the report itself was modified to include a separate section for each program. This format was retained for the 2023 report.~~[849]

For both ~~Programs~~programs, the report catalogs complaints received, provides complaint data visualization through numerous charts and graphs, and lists disciplinary actions taken by the Program Administrators. ~~The 2022 report noted that delays in project application processing led to a significant number of complaints, and that non-responsiveness on the part of Approved Vendors and Designees was also an element of many complaints. The report also identified a trend of increased complaints related to community solar offers. While the total Illinois Shines complaints had an overall increase of 57% from 2021 to 2022, the community solar sector saw an increase from one complaint in 2021 to twenty-two in 2022.~~[850] ~~The 2023 report, filed on February 29, 2024, reflected similar trends. Delays or errors related to program applications remained the number one~~

[849] ~~See https://illinoisshines.com/wp-content/uploads/2024/03/IPA-2023-Annual-Complaint-Report-2.29.24.pdf.~~

[850] ~~It is worth noting that consumer complaints, submitted during any year, could be connected to an application submitted during a prior year. For example, a complaint received in 2020 could be connected to an application submitted in 2019.~~

~~complaint in Illinois Shines, and non-responsiveness from program entities was a recurring theme in many complaints.~~[851]

In the 2024 report, the Agency highlighted the growing issue of companies going out of business and stranding customers. The report included two new sections, one on complaints received against "out of business" entities (which were responsible for 62% of the 1,117 total complaints received in 2024 in Illinois Shines) and one on complaints from stranded customers. The Program Administrator handled 546 stranded customer projects in 2024.

Future reports will be published on the program websites and filed in the Commission docket approving the Agency's most-recently approved Long-Term Plan. This report is a vital way that the Agency ensures transparency with the public concerning complaints received regarding program participants.

9.8 Consumer Protection Working Group

Pursuant to the provisions of Section 1-75(c)(1)(M)(vi) of the IPA Act, the Agency shall schedule regular meetings with representatives of the Office of the Attorney General, the Illinois Commerce Commission, consumer protection groups, and other interested stakeholders to share relevant information about consumer protection, project compliance, and complaints received.

The IPA and its Program Administrators host two separate monthly consumer protection-related meetings. First, there is the Consumer Protection Working Group, which currently meets on the first Friday of the month.[852] The scope of the meeting encompasses both ~~Programs~~programs and a variety of consumer protection issues, including market trends, best practices, consumer education, and proposed program modifications. These meetings are open to the public; any interested individual or entity may attend. The agendas are posted ahead of time online and meeting minutes are available after the meeting.

The IPA and its Program Administrators also meet monthly with the Office of the Attorney General and the Illinois Commerce Commission to discuss specific program violations and disciplinary actions, among other consumer protection issues.

Additionally, Section 1-75(c)(1)(M)(vii) of the IPA Act requires that, to the extent that complaints received implicate the jurisdiction of the Office of the Attorney General, the Illinois Commerce Commission, or local, State, or federal law enforcement, the Agency shall refer complaints to those entities as appropriate. The IPA will continue to bring such complaints to the attention of the Attorney General and the Commission as appropriate and will involve other enforcement agencies as necessary. If warranted, the Program Administrator will refer complaints to the Agency and to appropriate State and federal agencies, including the Consumer Fraud Bureau of the Illinois Attorney General's Office, or the Illinois Commerce Commission (e.g., for failure of installers to maintain their status as Certified Distributed Generation Installers). Approved Vendors or Designees that the Agency finds have violated consumer protection standards or related Program requirements may be subject to suspension or revocation of their Approved Vendor status or Designee registration by the Agency. If these Approved Vendors or Designees are found in violation of local, State, or federal law, they may also face potential civil or criminal penalties from other relevant authorities.

[851] ~~See https://illinoisshines.com/wp-content/uploads/2024/03/IPA-2023-Annual-Complaint-Report-2.29.24.pdf.~~

[852] See https://illinoisshines.com/cp-working-group/.

9.9 Solar Restitution Program

The ~~IPA plans to develop a solar restitution program~~Solar Restitution Program ("SRP") is designed to provide economic assistance to customers who have been harmed through their participation in Illinois Shines or Illinois Solar for All. ~~While most~~The SRP was first outlined in the 2024 Long-Term Plan, and additional details were developed through a stakeholder process in the Fall of 2024. An overview of the SRP is provided below.

The Agency is using a "phased" approach to implementing the Restitution Program. In the first phase, launched in May 2025, the program is available for small and large DG customers ~~have a positive experience in connection with the IPA's programs, there are unfortunately still some bad actors. For example, one Illinois Shines Approved Vendor~~ who were promised a direct REC payment lump-sum pass-through and did not receive any portion of a promised payment. Later phases will expand eligibility to customers experiencing other types of harm, such as damage to their home during installation. This approach allows the Agency to adjust requirements and processes during a pilot stage, with claims that ~~it would pass through thousands of dollars in REC incentive payments, and then failed to~~ are fairly straightforward and do ~~so.~~ not require physical inspections of solar projects, before broadening the scope of the initiative.

~~As explained previously, the IPA does not have plenary regulatory authority over companies operating in the solar market. Even when it comes to Approved Vendors and Designees participating in the IPA's programs, the IPA cannot compel solar companies to take specific action to remedy harm to customers. While the Program Administrators can discipline Approved Vendors and Designees, up to and including suspension from the Program, the threat of discipline does not always lead Approved Vendors and Designees to make customers whole. This is especially true when the company is in financial distress.~~

~~Other states have implemented restitution programs for customers harmed by solar contractors or other contractors. For example, California launched a Solar Energy System Restitution Program in July 2021, for "consumers who were financially harmed by the installation of a solar energy system on a single-family home after January 1, 2016."[853] Funded by a one-time appropriation of $5 million, the program is no longer accepting new claims in order to ensure that funding is available for claims already received.[854]~~

~~The California restitution fund was modeled after Nevada's Residential Recovery Fund, which is not limited to solar-related harms. The Nevada fund "under certain conditions, provides limited monetary compensation to single-family homeowners, in the event that they have been damaged by a licensed contractor's failure to appropriately execute a contract and have exhausted all other means of recovery."[855] Other examples of restitution funds for customers harmed by contractors include Florida's Homeowner Construction Recovery Fund[856] and Virginia's Contractor Recovery Fund.[857]~~

~~[853] California Contractors State License Board, Announcement, https://www.cslb.ca.gov/Resources/GuidesAndPublications/2022/Solar_Energy_System_Restitution_Program.pdf; see also California Contractors State License Board, News Release (May 11, 2022), https://www.cslb.ca.gov/Resources/PressReleases/2022/Solar_Energy_System_Restitution_Program.pdf.~~

~~[854] California Contractors State License Board, Solar Smart, https://www.cslb.ca.gov/consumers/solar_smart/.~~

~~[855] Nevada State Contractors Board, Residential Recovery Fund Overview, http://www.nvcontractorsboard.com/res_fund_overview.html.~~

~~[856] Fla. Stat. § 489.140 et seq.~~

~~[857] Va. Code Ann. § 54.1-1118 et seq.~~

~~The text below describes the framework for the restitution program, which the Agency will further develop and implement now that the Commission has approved the 2024 Long-Term Plan.~~

Funding: The restitution payments ~~will be~~are made from the general RPS collections fund held by the public utilities. ~~The Agency plans to account~~As proposed in the 2024 Long-Term Plan, the Agency now accounts for forfeited collateral from solar projects that fail to satisfy REC Contract requirements separately in the Renewable Resources Budget~~, and will use this money first to make restitution payments to customers.~~[858] and is using this forfeited collateral to fund restitution payments in the Solar Restitution Program. In addition, the Agency now proposes to use forfeited collateral from utility-scale wind projects to fund restitutions payments. While the 2024 Plan stated that the Agency would use this forfeited collateral *first* in funding restitution claims, the Agency is now clarifying that no other portion of the RPS Budget will be available for restitution payments.[859]

Customer Eligibility: Customers ~~will be~~are required to submit a complaint to the Program Administrator and cooperate with the normal complaint investigation procedure~~. At minimum, the following determinations will be required for customer eligibility:~~ in order to be eligible for the Solar Restitution Program.

At a minimum, the following determinations are required for customer eligibility, subject to downstream change by the Agency between Long-Term Plan approval processes based on the IPA's experience in implementing the Restitution Program:

- The customer was financially harmed by an Approved Vendor's or Designee's violation of Program requirements~~; and~~ (or the violation of an unregistered entity acting on behalf of an Approved Vendor or Designee with whom the customer contracted);
- The customer filed a complaint regarding the relevant harm no later than two years after the latter of (1) the occurrence of the harm, or (2) the Restitution Program opening for that type of harm;
- There is no reasonable likelihood that the Approved Vendor or Designee who caused the harm will make the customer whole~~.~~; and
- ~~The customer will also have to~~The customer filed a restitution claim within six months of the latter of (1) the complaint being closed as unresolved, or (2) the opening of the Restitution Program for the relevant type of harm.

Customers are not eligible for a restitution payment if they were a 5% or greater owner, or a member of the highest-level management team, of the entity whose conduct caused the harm, during the time that the entity's conduct was ongoing. Family members who live in the same household as a 5% or greater owner or member of the highest-level management team are also ineligible.

The Program Administrator has developed procedures for identifying and tracking complaints that are potentially eligible for restitution. As relevant phases of the SRP are launched, the Program Administrator will notify potentially eligible customers and provide information about how to apply.

~~[858] The Agency is interested in exploring legislative opportunities for additional funding sources.~~

[859] The Agency may be interested in exploring opportunities for additional funding sources in the future through legislative changes.

The customer must assign their rights to any legal claim against the Approved Vendor or Designee in the same amount that the customer receives in a restitution payment. For example, if an Approved Vendor failed to pass through $8,000 in a REC incentive payment, and the customer received $8,000 from the restitution program, if the Approved Vendor later actually made the $8,000 payment to the customer, the customer would be required to repay that money to the restitution program.

The Agency ~~will~~does not require customers to pursue private litigation or obtain a court judgment in order to be eligible for assistance from the restitution program. The Agency believes that such a requirement would create an unreasonable barrier, and that restitution payments should be available without the customer having to spend potentially thousands of dollars to bring a civil lawsuit against a company that, in many situations, may be unable to pay damages even if the court decided in the customer's favor.

Restitution payments will generally not be available to customers who are harmed by entities that are not registered Approved Vendors or Designees in the Illinois Shines or Illinois Solar for All programs, regardless of whether the entity's marketing claims referenced the incentive programs. This could also preclude claims based on harm from third-party financing entities, such as those that offer loans for solar purchases, if they are not registered with the Program.

A limited exception to this general rule would be available if the entity *the customer contracted with* was a registered Approved Vendor or Designee, even if that Approved Vendor or Designee used an unregistered subcontractor on the project (who caused harm to the customer). To use two hypotheticals: SolarCorp is not registered with the Program. If the customer bought a solar project *from* SolarCorp, and SolarCorp harmed the customer by improperly installing the project, the customer would not be eligible for a restitution payment. Alternately, if the customer bought a solar project from Approved Vendor A, and Approved Vendor A hired SolarCorp to do the installation (in violation of Program requirements, since SolarCorp is not registered as a Designee), the customer would be eligible a restitution payment for harm caused by SolarCorp.

The amount of the restitution payment ~~would be~~is limited to actual economic damages. Customers are expected to take reasonable actions to limit or mitigate harms, and additional harms that arise that could have been prevented may not be eligible for inclusion in a restitution payment. The amount of actual damages ~~would~~may be discounted if a customer did not take reasonable actions to limit the harm. ~~Restitution payments would be capped at~~

The Agency is aware that unforeseen issues may arise as it implements Phase I and develops subsequent phases, and seeks authority from the Commission to update eligibility details between Plans as appropriate to meet the policy goals of the Solar Restitution Program.

Caps on Awards: In the 2024 Long-Term Plan, the Agency established the following caps on restitution payments: $30,000 per project~~. Other state consumer restitution funds have a similar cap. For example, California's Solar Energy System Restitution Program caps individual claims at $40,000[860] and the Virginia Contractor Transaction Recovery Fund caps individual claims at $20,000.[861] The Agency will also have a cap of $200,000~~ and $200,000 for restitution payments based on a single Approved Vendor's or Designee's conduct. ~~This is also a common element of~~

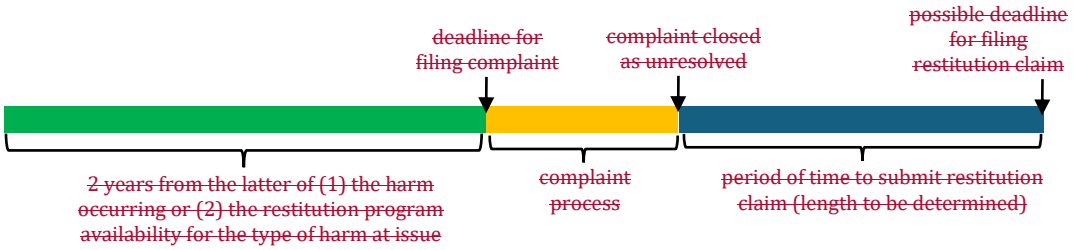
~~[860] Cal. Bus. & Prof. Code § 7086.8.~~

~~[861] Va. Code Ann. § 54.1-1123.~~

restitution programs.[862] The Agency has not yet determined whether the cap per Approved Vendor or Designee will be on a "first come, first served" basis or whether there would be a pro rata distribution amongst claims filed within a certain time periodDuring the development of the SRP, the Agency designed a pro rata distribution method for funding restitution claims that are filed within a certain time period. Specifically, anytime a claim is submitted, there is an initial "waiting period" of 30 days. If no other claims are filed against that entity, the claim can be paid out (if it is valid and approved). If another claim that appears to meet threshold eligibility requirements is filed against the entity within the first 30 days, then there is an additional waiting period of 60 days (for a total of 90 days) for additional customers to file claims. At the end of the 90 days, any claims that are approved can be paid out. If the sum of these claims reaches the $200,000 cap, the claims will be paid out pro-rata. In other words, each approved claim will be funded at the same percentage.

The Agency would also implement a limitation on the duration between the customer's harm and the submission of a restitution program claim. For injuries that occurred prior to the opening of the restitution program for the relevant type of harm, the customer would have two years from the opening of the program for that claim type to file a complaint with the Program Administrator for that injury, which is the start of the process. For example, if a customer was harmed in 2022 by a faulty installation, and the restitution program does not allow for claims for installation damages until January of 2025, the customer would have until January of 2027 to file a complaint with the Program Administrator. Going forward, customers would have two years from the injury occurring to file their complaint. The Agency may also develop a time limit for when the customer must submit a claim request after the customer's complaint has been closed out as "unresolved." The Agency will determine how to appropriately notify customers of the availability of the restitution program and applicable deadlines. In addition, the Agency may develop restrictions on restitution program eligibility, such as not funding claims by customers who have or had a familial or business relationship with the entity that caused the harm.

Figure 9-1: Timeline for Restitution Program Claims



Process: The customer would first file a complaint with the Program Administrator and go through the general complaint process until the complaint is closed as unresolved. The customer would then submit a claim to the restitution program and attest to the accuracy of supporting information. The Program Administrator would review the claim and gather any additional needed information. The

[862] For example, the Nevada Residential Recovery Fund limits claims against a single contractor to "$750,000, or 20% of the account balance, whichever is less." http://www.nvcontractorsboard.com/res_fund_overview.html. The Virginia Contractor Transaction Recovery Fund has a cap of $40,000 per regulated entity per biennium. Va. Code Ann. § 54.1-1123. A presentation on California's Solar Energy System Restitution Program noted that "[a] cap is needed to limit total fund payout per respondent contractor," as a small number of contractors was responsible for a large number of claims. Contractors State License Board, "Solar Energy System Restitution Fund" slide deck (Dec. 6, 2022 Workshop Pursuant to CPUC Decision 21-09-024).

~~Program Administrator may subcontract with an entity that inspects or evaluates solar projects and provides estimates of any necessary repairs. The Program Administrator would make a recommendation to the IPA that includes a summary of the issues, a proposed determination, and the amount of payment (if applicable). The IPA would then review and either approve or overturn the recommendation. If the IPA determines that a restitution payment is warranted, the Program Administrator would obtain the customer's signature on a document assigning claims against the Approved Vendor or Designee to the restitution program. The IPA would then request Commission approval of the restitution payment by including it in next submission to the Commission requesting approval of batches and contracts for Illinois Shines and ILSFA (see Section 7.10.5 for a summary of the process for Commission approval of batches and contracts). After Commission approval, the restitution payment would be made to the customer.[863]~~

~~The Agency intends to use a "phased" approach to implementing the restitution program. In the first phase, the program will only be available for customers who were promised a direct REC payment lump-sum pass-through and did not receive it. The Agency has not yet determined whether the first phase would be limited to residential and/or Small DG projects. Later phases would expand eligibility to customers experiencing other types of harm. This approach would allow the Agency to adjust requirements and processes during a pilot stage, with claims that would be fairly straightforward and would not require physical inspections of solar projects, before broadening the scope of the initiative.~~

~~The Agency does not intend that an Approved Vendor or Designee be *automatically* suspended~~Based on information learned from the first few months of implementing the first phase of the SRP, the Agency is proposing changes to the restitution caps. Based on an initial review, the Agency expects that eligible claims submitted in the first month related to conduct of two Approved Vendors may total close to $2 million per Approved Vendor. The Agency recognizes that a few vendors have caused a disproportionate amount of financial harm to customers in the form of missing pass-through payments, and that this pattern may continue in the future. If the Agency maintains the current per-vendor cap of $200,000, customers of these vendors may receive only a small percentage of their claim amounts. As a result, the Agency is proposing to follow the same pro-rata system as described above, but to increase the vendor cap and to potentially pair the vendor cap with a set minimum percentage payout for each individual claim. The Agency is considering a series of updates to this process including:

- raising the vendor cap, potentially as high as $1,000,000 to $2,000,000 per Approved Vendor.
- implementing a set minimum payout of individual claims in the range of 50% to 75%.
- whether a set minimum payout should be greater in cases where the customer harm is related to a promised pass-through payment of the Illinois Shines incentive payment, as compared to other types of harm. Other types of harm, such as damage from installation or harm from general misrepresentations, are less intrinsically tied to participation in the Agency's incentive programs.

The Agency seeks stakeholder feedback on increasing the vendor cap, on an appropriate vendor cap amount, and on the proposal of pairing the cap with a minimum payment percentage (and

~~[863] As discussed in the Plan proceeding, the Agency is open to considering different approaches for how exactly the payment is made to the customer (such as using an escrow agent, or having the Program Administrator facilitate the payment).~~

appropriate percentage) – that is, receiving feedback on the interplay of more than one proposal being implemented by the Agency.

The Agency is providing an example of how it would work to combine an increased vendor cap ($1,000,000 used here as an example) with a minimum percentage payment (50% used here as an example). Assume that the total amount of restitution claims against a particular vendor (in the first 90-day claim window) is $900,000. In that case, each customer will receive 100% of their claim amount because the $1,000,000 cap has not been met. If additional claims against that same vendor are brought during a second claim window, the Agency will subtract the amount paid out during the first claim window ($900,000) from the $1,000,000 total per-vendor cap, for a new cap of $100,000. If the total amount of restitution claims in the second claim window is $500,000, the Agency will pro-rate the claim amounts to 100,000/500,000 (20%) of each claim. However, if there is a 50% minimum payment on each individual claim, each customer will receive 50% of their total claimed amount instead of 20%. After the second (or any additional) claim window(s), any additional customers who file a claim against that vendor would automatically receive 50% of their claim because the $1,000,000 cap would have already been reached, until and unless the total SRP budget is exhausted. The per-vendor cap would not reset in later phases of the SRP.

The Agency will also develop procedures for potentially pro-rating claims when the SRP budget is nearing depletion.

In addition, the Agency intends to maintain the $30,000 cap per project for small distributed generation projects, but it will increase the cap for large distributed generation projects from $30,000 to $50,000. Customers with Large DG projects have the potential to experience significantly more financial harm than those with Small DG projects through, for example, larger missing pass-through payments or more expensive repairs. On the other hand, Large DG customers are likely to be more sophisticated business actors, with access to remedies to rectify financial harm that are otherwise not reasonably available to Small DG customers, such as bringing a lawsuit against an offending Approved Vendor. The Agency therefore decided on a modest increase from $30,000 to $50,000, while recognizing that in some situations, Large DG customers may not be made fully whole. For Illinois Solar for All, although ILSFA does not use the "Small DG" and "Large DG" nomenclature, the Agency intends to apply equivalent caps based on project size once the Solar Restitution Program is expanded to ILSFA. That is, the Agency will apply a $30,000 cap for projects that are 25 kW or smaller (Small DG projects in Illinois Shines) and a $50,000 for projects that are greater than 25 kW (Large DG projects in Illinois Shines). The Agency believes that using project size to create the categories for ILSFA per-project caps is preferable to using ILSFA's current project categories (Residential Solar for 1-4 unit buildings, Residential Solar for 5 or more unit buildings, and Non-Profit and Public Facilities) because ILSFA's categories may include projects of disparate sizes.

As with eligibility details, the Agency expects to monitor the effectiveness and balance of the project caps, and may propose minor adjustments to them in the future. Such adjustments may include how the caps are implemented, adjustments to the caps, and how claims are prorated. Accordingly, the Agency seeks Commission approval to make appropriate updates to these processes in between Long-Term Plans.

Process: As explained above, before a customer can submit a restitution claim, they must file a complaint, cooperate with the complaint investigation, and the Program Administrator must close out the complaint as unresolved.

The customer may then submit a claim to the Restitution Program using a form that the Agency and Program Administrator develop.[864] The Program Administrator requires the customer to agree that, upon receipt of the restitution payment by the customer, the customer will assign their rights against the Approved Vendor or Designee (or other entity) to the Restitution Program in the amount of the payment to be made. If the restitution payment does not make the customer whole for any reason, the assignment of rights is not intended to limit the customer's legal rights to seek compensation beyond that provided through the restitution program for other harms not covered.

After receiving a claim, the Program Administrator determines whether the claim meets threshold eligibility requirements. If it does, the Program Administrator investigates the claim, while providing appropriate opportunity for both the customer and the Approved Vendor (or Designee) to submit evidence that supports or refutes the claim. Once the Program Administrator makes a determination regarding whether the claim should be funded and it what amount, the IPA reviews the determination and provides additional opportunities for the customer and Approved Vendor (or Designee) to appeal the final determination.

Restitution claims are sent to the Illinois Commerce Commission for approval. The Program Administrator then includes approved restitution claims on invoices to be sent to the utilities. The invoices direct payment to be made to a third-party payment processing agent, which in turn mails checks to the individual customers.

The Agency will not *automatically* suspend an Approved Vendor or Designee if their conduct leads to a restitution program payment. However, an Approved Vendor or Designee certainly *may* be suspended for Program violations that lead to a restitution payment to a customer. In this case, repayment of the restitution award ~~may be~~is a requirement before the entity may re-enter the Program. If an Approved Vendor or Designee repays some of the restitution programs made due to its conduct, this would be subtracted from the running total of payments for purposes of applying the ~~$200,000 cap per Approved Vendor or Designee. That is, if an Approved Vendor's conduct had led to $150,000 in restitution payments, and the Approved Vendor repaid $50,000, only $100,000 of payments would count toward the cap.~~vendor cap. In addition, if the customer harm was due to an Approved Vendor not passing through promised lump-sum payments, the Program Administrator may condition re-entry on the Approved Vendor no longer making offers that include a lump-sum REC payment pass-through.

As with other details of the Solar Restitution Program, the Agency wishes to retain some flexibility to adjust the claim processing details as appropriate as it gains experience in implementing the Solar Restitution Program, and seeks Commission approval of its ability to do so between Plans.

[864] The Agency and the Program Administrator have developed a form for claims submitted in Phase I of the Restitution Program. New forms will be developed for later phases of the Program as needed.

10. Diversity, Equity, and Inclusion

The Illinois Power Agency Act ("IPA Act") establishes the objective of providing "priority access to the clean energy economy for businesses and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes."[865] To advance that objective, the IPA Act directs the Agency to establish an Equity Accountability System, which shall include:

i. A Minimum Equity Standard applicable to all applicants to the Illinois Shines ~~Program~~program, the ~~Self~~self-direct ~~Program~~program, and competitive procurements of Indexed RECs from utility-scale projects.
ii. The Equity Eligible Contractor category within Illinois Shines (see Chapter 7).
iii. Optional bid adjustments for competitive procurement processes that advance the equity goals of the IPA Act (see Chapter 5).

~~The Act further establishes several data collection and reporting requirements to support the assessment of the Equity Accountability System and improve transparency regarding who participates in and benefits from the clean energy economy. Section 1-75(c-15)(2) directs the Agency to commission and publish a racial disparity study to "measure[] the presence and impact of discrimination on minority businesses and workers in Illinois' clean energy economy."~~

Section 1-75(c-10)(4) of the IPA Act directs the Agency to include the following in each revision to the Long-Term Renewable Resources Procurement Plan:

i. Current number of Equity Eligible Contractors certified by the Agency~~.~~;
ii. A mechanism for measuring and reporting project workforce profiles at the Approved Vendor or Designee level~~.~~;
iii. Training, guidance, and other support for Approved Vendors, Designees, Equity Eligible Contractors, and other stakeholders for meeting the requirements of the EEC category within the Illinois Shines ~~Program~~program and the ~~minimum equity standards~~Minimum Equity Standard laid out in this section (~~please~~ see Section ~~7.4.6~~7.4.6 for full details~~).~~);
iv. A process for certifying Equity Eligible Contractors and Persons (~~please~~ see Section ~~7.7.2~~7.7.2 for more details~~).~~); and
v. A waiver application process.

~~The~~ Section 1-75(c-15) of the IPA Act ~~also~~ empowers the Agency to assess and attempt to ameliorate existing racial discrimination or disparities in rates of participation in the clean energy economy. To that end, Section 1-75(c-15)(2)(B) directs the Agency to commission and publish a racial disparity study to "measure the presence and impact of discrimination on minority businesses and workers in Illinois' clean energy economy."

The IPA Act further establishes several data collection and reporting requirements to support the assessment of the Equity Accountability System and improve transparency regarding who participates in and benefits from the clean energy economy. Section 1-75(c-20) directs the Agency to "collect data from program applicants in order to track and improve equitable distribution of benefits across Illinois communities for all procurements the Agency conducts." ~~And finally~~Additionally, Section 1-75(c-25) directs the Agency to work with the Department of Commerce and Economic

[865] 20 ILCS 3855/1-75(c-10).

Opportunity ("DCEO") to create an Energy Workforce Equity Database in order to facilitate the engagement of Equity Eligible Contractors and ~~persons~~Persons on clean energy projects. ~~This Chapter lays out the Agency's plan for implementing these related elements.~~

~~In meeting these requirements, the Agency will continue its ongoing collaboration with other State agencies to encourage participating entities to utilize a diverse workforce and diverse contractors.~~

Section 1-75(c-10)(7) provides that, "[a]s part of the update of the long-term renewable resources procurement plan ~~to be initiated in 2023, or sooner if the Agency deems necessary,~~. . . the Agency shall determine the extent to which the equity accountability system~~...~~ . . . has advanced the goals [codified in P.A. 102-0662] including through the inclusion of equity eligible persons and equity eligible contractors in renewable energy credit projects." ~~Discussion of the efficacy of the current equity accountability system~~The Agency published its analysis of the effectiveness of the Equity Accountability System for Program Year 2023-24 in its Equity Accountability System Assessment, which is further detailed in Section 10.6, below. Additional discussion of the efficacy of the current Equity Accountability System in advancing the goals of the IPA Act is incorporated throughout this chapter, identifying points of administrative complexity and significant challenges the Agency and stakeholders have faced in ensuring the system benefits the intended individuals. ~~The Agency notes that it does not have results or data from the first year of implementing the Minimum Equity Standard, however, and thus can only assess the system's success through feedback from stakeholders and the metrics currently available.~~

~~If~~Section 1-75(c-10)(7) further provides that, if the Agency determines that the ~~equity accountability system~~Equity Accountability System has not fully achieved ~~those~~its statutory goals to its fullest potential, ~~Section 1-75(c-10)(7) provides that~~ the Agency may revise the following criteria:

i. ~~*[T]he*~~The percentage of project workforce, or other appropriate workforce measure, certified as equity eligible persons or equity eligible contractors;
ii. ~~*[T]he*~~The definitions for equity investment eligible persons and equity investment eligible community; and
iii. ~~*[O]ther*~~Other modifications deemed necessary to advance the goals of ~~*[Public Act*~~P.A. 102-0662~~*]*~~. Such revised criteria may also establish distinct equity accountability systems for different types of procurements or different regions of the State if the Agency finds that doing so will further the purposes of such programs.

10.1 Minimum Equity Standard

Public Act 102-0662 established a "minimum equity standard" ("MES") applicable to the "project workforce" for ~~firms~~entities participating in certain ~~IPA~~ renewable energy programs and procurements~~.~~ administered by the Agency. More specifically, Section 1-75(c-10)(1) of the IPA Act requires that,

> ~~*at*~~*[A]t least 10% of the project workforce for each entity participating in a procurement program outlined in this subsection (c-10) must be done by* [sic] *equity eligible persons or equity eligible contractors. The Agency shall increase the minimum percentage each delivery year thereafter by increments that ensure a statewide average of 30% of the project workforce for each entity participating in a procurement program is done by* [sic] *equity eligible persons or equity eligible contractors by 2030.*~~866~~

In the 2024 Long-Term Plan, the IPA published a schedule of linear MES increases beginning in Program Year 2025-26 in order to reliably scale up to the eventual MES of 30%. However, following feedback from stakeholders and additional engagement with the DCEO, the Agency proposes to revise that schedule to better align with the operational timelines of CEJA-funded workforce training programs. To provide additional time for these programs to train and graduate EEPs into the clean energy workforce, the Agency proposes maintaining the MES at 14% for both the 2025-2026 and 2026-2027 Program Years. This modification allows for a more gradual ramp of the MES while maintaining progress towards the 30% statutory goal. Under the revised schedule, Illinois Shines program participants will have two years at the 14% threshold, before the annual 4% increases resume. For utility-scale REC contracts, the MES percentage requirement will be the required percentage in effect during the Program Year in which the project was selected.

Section 1-75(c-10)(1) provides that "[a]ll applications for renewable energy credit procurements shall comply with specific minimum equity commitments." That section does not define "renewable energy credit procurements" but does specify that the ~~10%~~ Minimum Equity Standard applies to "each entity participating in a procurement program outlined in this subsection (c-10)." Other requirements under this subsection are only required from "each entity participating in a procurement program of subsection (c) of this Section," and Section 1-75(c-30) provides that the penalty for non-compliance with (c-10) shall be to "deny the entity's ability to participate in procurement programs in subsection (c)." The Agency therefore interprets Section 1-75(c-10) as only applying to those renewable energy procurement programs established through Section 1-75(c) of the IPA Act, not to include the Illinois Solar for All ~~Program~~program (established under Section 1-56(b~~) of the Act).~~)). This interpretation is further supported by the distinct treatment of the Illinois Solar for All ~~Program~~program throughout the IPA Act, including higher REC prices and dedicated funding through the Renewable Energy Resources Fund, which ease the burden of program participation and maximize the access for and benefit to low-income participants. The Agency believes that the above reading of Section 1-75(c-10) also strengthens those aims.

Other elements of the broader suite of diversity and equity provisions added to Section 1-75 of the IPA Act through Public Act 102-0662 do apply to Illinois Solar for All, however, such as the data collection obligations contained in Section 1-75(c-20) and inclusion in the studies conducted pursuant to Section 1-75(c-15).

10.1.1 Definitions and Eligibility: Equity Eligible Persons

Section 1-10 of the IPA Act defines "equity eligible persons" ("EEPs") or "eligible persons" as "persons who would most benefit from equitable investments by the State designed to combat discrimination, specifically:

~~*1) graduates or*~~

i. persons who graduate from or are current or former participants in the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Illinois Climate Works Preapprentice Program, Returning Residents Clean Jobs Training Program, or the Clean Energy Primes Contractor Accelerator Program, and the solar training pipeline and multicultural jobs program~~;~~ . . . ;
ii. ~~*2)*~~ persons who are graduates of or currently enrolled in the foster care system;
iii. ~~*3)*~~ persons who were formerly incarcerated; and

iv. ~~4)~~ persons whose primary residence is in an equity investment eligible community~~.~~."[867]

~~In developing program and procurement-related guidance, the IPA has further defined "persons who were formerly incarcerated" as any individual who (i) was sentenced to a term of imprisonment, not including juvenile detention, after the disposition of one or more misdemeanor or felony charges; and (ii) has completed their sentence. There is no time limit or expiration regarding when the incarceration occurred. The IPA defines "persons who are graduates of or currently enrolled in the foster care system" as any individual who is currently or was formerly a youth in care of the IL Department of Children and Family Services, or the equivalent agency in another state.~~

~~The IPA sought stakeholder feedback on several elements of this definition that have proven challenging in the initial year of implementation. First, the category of Equity Eligible Persons that qualify through a primary residence in an equity investment eligible community presents several issues. Individuals often move residences, and individuals in disadvantaged communities or that have limited incomes tend to change residences more often. The IPA requested input on potential ways to account for the inevitable scenario where someone who qualifies as an EEP at one point in the year may not at another point or in the next year. Commenters were split, with some supporting a more stringent approach similar to the Social Equity Applicant model in the cannabis sector, which requires demonstrating residency in certain areas for five of the last 10 years, while others favored maximum flexibility to reduce the reporting burden on EEPs. The Agency will require that EEPs qualifying based on their primary residence renew their certification every two years. While the Agency recognizes that requiring renewal of EEP certifications creates additional processes, the hope is that ongoing improvements to the Equity Portal will balance out any potential increased burden on EEPs or Approved Vendors. The Agency will also require EEPs that serve as the majority-owner of an EEC and qualify as an EEP based on residency to renew their EEP certification annually as part of the Approved Vendor annual renewal.~~

~~Similarly, any updates to the Equity Investment Eligible Communities ("EIEC") map used to determine EEP status for residency-based qualification could result in some individuals that previously qualified as EEPs based on residency to no longer live in a qualifying area. Recently, the IPA updated the EIEC map to reflect the new Illinois Solar for All Environmental Justice Community ("EJ community" or "EJC") map, which was updated to reflect 2020 Census data and new EJSCREEN data (see Section 8.12 for more detail). In January 2024, the R3 Program Board approved updates to the R3 map, which the IPA will incorporate while continuing to consider areas from the previous R3 map as EIECs for the 2024-2025 Program Year. Future EIEC map updates will occur on an as-needed basis following the update cycle of the ILSFA EJ communities map (every five years) and the R3 map (every four years). The IPA announced that it would count EIECs identified in both maps – the EIEC map that used the previous EJ map and the new EIEC map – for the remainder of the 2023-2024 program year when certifying individuals as equity eligible persons based on primary residency.[868] The Agency will adopt the same approach to any future map updates, namely to approve individuals that qualify based on primary residency using both maps for the remainder of the program year after an update to the EIEC map. For individuals whose EEP status is affected by the map update, their~~

[867] Under Section 1-10 of the IPA Act, "Equity Eligible Investment Communities" are comprised of (1) R3 Areas as established pursuant to Section 10-40 of the Cannabis Regulation and Tax Act, where residents have historically been excluded from economic opportunities, including opportunities in the energy ~~sector~~section; and (2) ~~Environmental~~environmental justice communities, as defined by the ~~Illinois Power~~ Agency pursuant to the ~~Illinois Power Agency~~IPA Act, where residents have historically been subject to disproportionate burdens of pollution, including pollution from the energy sector.

~~[868] Illinois Shines, Equity Investment Eligible Community Map Update (Sept. 28, 2023), https://illinoisshines.com/equity-investment-eligible-community-map-update/.~~

~~status will change at the next recertification – i.e., two years after they first certify for workforce EEPs and at the next registration renewal for EEPs that are majority-owners of EECs. For EECs that may lose the status of EEC due to a majority-owner EEP no longer qualifying as an EEP, any projects already under contract through the EEC Category will not be affected by that loss of status. Similarly, any projects that have received points in project selection due to contracting with an EEC Designee will not be penalized for a downstream change in the EEC status of that designee due to a map update.~~[869]

~~Second, the Agency requested input on the possibility of requiring that all EEPs be certified through the Equity Portal. A more centralized, complete record of certified EEPs would allow the Agency to then provide more aggregated data regarding the EEP population – distribution across the state, how they qualify, how they learned about the program, etc. The draft 2024 Plan proposed that EEPs be required to certify through the Equity Portal beginning with the 2025-2026 Program Year. After considering stakeholder feedback, the Agency will not require EEP certification through the Energy Workforce Equity Portal under this Plan. However, the Agency will continue to explore ways the Equity Portal may be used by program participants beyond certification as an EEP or posting jobs.~~

~~The Agency received feedback calling for the expansion of the definition of equity eligible person by adding new bases of qualification to the statutory definition. As noted above, the~~
The IPA will continue to apply a definition of Equity Eligible Person that addresses only those groups the General Assembly identified for consideration. The legislature elected to adopt a definition that not only provided a broad description (those that "most benefit from equitable investments by the State designed to combat discrimination"), but also enumerated four specific qualities that the legislature believed would reflect that broader definition. While the Agency appreciates that there are other ~~characteristics~~indicators that can subject an individual to discrimination (for example, religious belief or country of origin), the legislature chose to list only these four categories. ~~The legislature has created several programs that offer benefits to individuals based on other qualities that may indicate disadvantage, such as through the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575).~~ The IPA interprets the legislature's decision to include only these four criteria, despite clear awareness of the barriers faced by other communities or groups, as an intentional decision regarding the types of communities meant to benefit from the Equity Accountability System. ~~Additionally~~

In 2025, the Agency ~~will perform the~~ completed its Equity Accountability System Assessment ~~to analyze to what~~, discussed further in Section 10.6, which analyzed the extent to which the current framework has succeeded in securing access to the clean energy economy for communities historically burdened by pollution and excluded from economic opportunity. ~~If that analysis shows elements that are not working well, it will revisit equity eligible person qualification criteria.~~[870] In addition to the Racial Disparity and Availability Study, which is currently underway, as explained in Section 10.7, the IPA will continue to monitor trends in participation of EEPs and EECs and may revisit the EEP definition if its analysis shows the EAS is not achieving is statutory purpose.

~~[869] Final Order at 126, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

~~[870] Similarly, the Agency received comments claiming that the IPA must modify Equity Eligible Person qualification to include graduates of workforce development programs (the Craft Apprenticeship Program) excluded from the Equity Eligible Person definition under the IPA Act. The Illinois General Assembly was fully aware that the Future Energy Jobs Act included three workforce training programs, yet it still decided to include only two of those programs in the statutory definition of EEP. The Agency believes it must faithfully implement that directive from Illinois law.~~

10.1.1.1 ~~This logic is even stronger when considering the first criterion, which itself is a list of specific workforce training programs. The legislature was fully aware that the Future Energy Jobs Act, which it also passed,~~Workforce Program Participants

With respect to qualifying as an EEP through training programs, the Agency will continue to consider only participants in and graduates of the Clean Jobs Workforce Network Program, the Clean Energy Contractor Incubator Program, the Returning Residents Clean Jobs Training Program, or the Clean Primes Contractor Accelerator Program. The legislature was fully aware that P.A. 99-0906 included three workforce training programs, yet it still decided to include only two of those programs in the statutory definition of EEP, and not the Craft Apprenticeship Program. The Agency ~~can only conclude~~concludes that the exclusion of the Craft Apprenticeship Program was the legislature's intention, and the IPA is charged with faithfully implementing that statutory definition.

10.1.1.2 Persons Formerly or Currently Enrolled in the Foster Care System

The IPA defines "persons who are graduates of or currently enrolled in the foster care system" as any individual who is currently or was formerly a youth in care of the Illinois Department of Children and Family Services, or the equivalent agency in another state.

10.1.1.3 Formerly Incarcerated Persons

The IPA has defined "persons who were formerly incarcerated" as any individual who (i) was sentenced to a term of imprisonment, not including juvenile detention, after the disposition of one or more misdemeanor or felony charges; and (ii) has completed their sentence. There is no time limit or expiration regarding when the incarceration occurred.

10.1.1.4 Persons Living in an EIEC

The IPA Act also designates persons living in an equity investment eligible community ("EIEC") as EEPs. The Agency received feedback during previous Long-Term Plan processes on several elements of EIEC residency qualification and settled upon a definition in those previous Long-Terms Plans. The Agency is maintaining the definition used in previous Long-Term Plans in this draft 2026 Plan. First, the Agency again declines to require that a person live in an EIEC for a designated number of years to qualify as an EEP. While it is true that qualification as EEP based on EIEC residency should only benefit legitimate EIEC residents, it is also true that individuals often move residences, and individuals in disadvantaged communities or that have limited incomes tend to change residences more often, and requiring residence in an EIEC for a number of years may disqualify these individuals.

Second, the Agency will continue to require EEPs qualifying based on their primary residence to renew their certification every two years, while EECs that qualify based on an EEP owner's residence in an EIEC must recertify for the category annually as part of the Approved Vendor and/or Designee renewal. Based on the feedback received from prior Long-Term Plan processes, the Agency concluded that these requirements balance the desire to reduce the reporting burden on EEPs with the need to ensure that those individuals are true EIEC residents. Accordingly, the Agency plans to maintain these requirements in the 2026 Plan.

Similarly, the Agency will continue its current practice with regards to any updates to the EIEC map used to determine EEP status for residency-based qualification. Individuals that previously qualified as EEPs based on residency that no longer live in a qualifying area based on a map change will continue to qualify based on the previous map or the new map until the next recertification date. In

2024, the IPA updated the EIEC map to reflect the new Illinois Solar for All Environmental Justice Community ("EJ community" or "EJC") map, which had been updated to reflect 2020 Census data and new EJSCREEN data (see Section 8.12 for more detail). In January 2024, the R3 Program Board approved updates to the R3 map. The Agency intends to conduct an update to the Environmental Justice Communities ("EJC") map during Program Year 2026-27 to more accurately designate those communities. As a result, the EIEC map will also be updated at that time to reflect changes to the EJC map. Future EIEC map updates will occur on an as-needed basis following the update cycle of the ILSFA EJC map (every five years) and the R3 map (every four years), although the EJC map may change due to self-designation applications. Thus, when the Agency updates its maps, it will maintain the approach adopted for the map changes that affected the 2023-2024 and 2024-2025 Program Years for any projects in the EEC Category or that have received points in project selection. Namely, the Agency will continue certifying individuals based on primary residency using both maps for the remainder of the Program Year in which the map was changed and EEP status will be updated at the next recertification.[871]

For EECs that lose their EEC status due to a majority-owner EEP no longer qualifying as an EEP as the sole result of a change in the qualifying EIEC maps, any projects already under contract through the EEC Category may remain in the EEC Category and the Approved Vendor may continue to hold those contracts. However, if an EEP who qualified based on residency moves out of an EIEC, that individual will lose their EEP status at the time of their next recertification and that entity that will no longer qualify as an EEC. As such, the Approved Vendor formerly certified as an EEC must assign all of its EEC Category projects to one or more other EECs.

10.1.2 Definitions and Eligibility: Equity Eligible Contractors

10.1.2.1 Ownership by EEPs

The IPA Act defines "equity eligible contractor" ("EEC") as "a business that is majority-owned by eligible persons, or a nonprofit or cooperative that is majority-governed by eligible persons, or is a natural person that is an eligible person offering personal services as an independent contractor."[872] ~~The current process for certifying an entity~~

To register as an EEC ~~is straightforward. First~~Approved Vendor or Designee, an entity must already be registered as an Approved Vendor or Designee with Illinois Shines~~, or they~~. Additionally, an entity may ~~submit those registrations simultaneously~~register as an EEC Subcontractor if it qualifies as an EEC and seeks to participate in Illinois Shines but does not yet have a relationship with an Approved Vendor and/or does not have a customer-facing role for projects submitted to the ~~EEC certification request.~~Program (like Designees). For the EEC certification, the entity must complete a form identifying the corporate ownership structure and what role the EEP plays (Joint Partnership, Sole Proprietor, Board Member, etc.) in the business and an attestation completed by the EEP majority-owner, selecting the basis (or bases) upon which the individual qualifies as an ~~equity eligible person~~Equity Eligible Person and providing verifying documentation where required (for primary residence or workforce training participation qualifying bases). An EEC must be majority-owned by an Equity Eligible Person, not another Equity Eligible Contractor. ~~The Agency proposed to adjust this process to address what it sees as unintended consequences of the 'primary residency' qualification~~

[871] Final Order at 126, ICC Docket No. 23-0714 (Feb. 20, 2024).

[872] 20 ILCS 3855/1-10.

~~for EEPs.~~ As of this 2026 Plan, the entity must also submit documents showing the EEP owner also controls and manages the business, as discussed in more detail in Section 10.1.2.2.

In past years, the Agency has proposed a number of changes to ensure EEC capacity is reserved for those companies and individuals that have truly been excluded from economic opportunities in the clean energy sector. The Agency has previously proposed including a requirement that EECs provide documentation of a demonstration of need. Stakeholders and the ICC disagreed with the Agency's proposal in the filed 2024 Plan for EECs to demonstrate need through documentation of socio-economic status. The Agency also considered, but did not ultimately propose in the draft 2024 Plan, a requirement that persons qualifying as EEPs based on residency in an EIEC prove they resided in an EIEC for a designated number of years. Although the IPA declines in this 2026 Plan to propose some of these potential solutions, it remains committed to further analyzing the category and putting proper requirements in place to ensure its integrity. For instance, should the Racial Disparity and Availability Study indicate these or other measures are necessary to advance the equity goals of the IPA Act, the Agency may again revisit these proposals.

Consistent with the 2024 Plan, the IPA will maintain two changes regarding EEPs that serve as majority-owners of EECs. First, an individual Equity Eligible Person may only serve as the majority-owner of one Equity Eligible Contractor Approved Vendor and one Equity Eligible Contractor Designee. The EEP also may create Single-Project Approved Vendors that are EECs. However, an EEP may not serve as the majority-owner for multiple EEC Approved Vendors or multiple EEC Designees. As described above, the Agency is very concerned with the potential for "sleeving," therefore, the Agency will only allow an individual EEP to serve as majority-owner of one Approved Vendor and one Designee.[873]

Second, the Agency will continue to require EECs to recertify their EEC status each year alongside the annual renewal of their Approved Vendor or Designee status. Annual recertification of EECs will ensure that the Agency is notified of any changes in ownership of the company. For EECs majority-owned by EEPs that qualify based on criteria other than residency in an EIEC, this recertification will require confirmation of continued majority-ownership and control and management by the EEPs, as discussed below in Section 10.1.2.2. EECs owned by an EEP that qualify based on residency will also need to recertify that their primary residence is an EIEC. The treatment of contracts in the EEC Category affected by the inability of an EEP owner to certify continued residency in an EIEC, either through a change in qualifying maps or a change in residency is discussed in Section 10.1.1.4.

10.1.2.2 Management and Control of EEC Approved Vendors

One of the most pressing issues for the Agency continues to be ensuring that economic benefits of the EEC Category flow to individuals and businesses that have truly been excluded from the clean energy economy. To meet the legislative goals of creating "priority access to the clean energy economy for businesses . . . that have been excluded from economic opportunities in the energy sector,"[874] the Agency believes that businesses must affirmatively show they are managed and controlled by individuals that would have previously or otherwise faced barriers to starting or growing clean energy businesses.

[873] Final Order at 154, ICC Docket No. 23-0714 (Feb. 20, 2024).

[874] 20 ILCS 3855/1-75(c-10).

As noted in the draft 2024 Plan ~~released in August 2023~~, commenters and program participants raised ~~the potential for "sleeving" and~~ concerns regarding entities manipulating qualifications for the EEC Category in Illinois Shines. The primary concerns involved entities using "sleeving" or "pass ~~throughs" in EECs — where~~through" structures to create EECs in name only. Under this type of structure, a non-EEC company that is already well-established in the solar market forms a new company with an EEP as the majority owner, but that EEP has little involvement in the management and control of the newly created, EEC-certified company~~, solely to gain access to the EEC Category within Illinois Shines.~~. Another potential ~~form of this~~structure is where an EEC ~~subcontracting~~subcontracts out ~~most~~significant amounts of the development and construction, such that only a small portion of the REC incentives flow to the EEP. ~~–~~Unfortunately, this is not a hypothetical scenario. The ~~Agency~~IPA has ~~received more than one EEC certification request based on ownership by an Equity Eligible Person or~~ concerns that several ~~Equity Eligible Persons, who usually qualify based on residency, that are not officers with or employed by the EEC Approved Vendor, and do not~~entities participating in the Program (or have applied to participate) appear to ~~work in the energy sector (or a related sector) at all. The minority-owner~~be structured as pass-through entities in ~~all of these cases is a well-established~~ which it appears a non-EEC solar developer ~~and appears to~~may be performing all, or nearly all, of the development and program application duties~~.~~ and the EEP(s) registering the EEC have little to no involvement with the business.

The Agency is concerned by the ~~frequency~~use of these ~~requests, particularly given the wide range of incomes and resources of individuals living in some EIECs~~structures by EECs that ~~are experiencing gentrification,~~operate in the program and the potential for these companies to dominate the EEC Category due to their significant access to capital and expertise. ~~The Agency does not wish to make the EEC certification unfairly~~As discussed in Section 7.4.6 of this Plan, the EEC Category has seen oversubscription in all Program Years since Program Year 2022-23. This led to modifications of the category, including the implementation of a developer cap and subcategories for Community Solar and Distributed Generation projects. The oversubscription in the category increases the likelihood that EECs embodying the spirit of the law will be crowded out by EECs controlled by existing, well-resourced, experienced solar development firms, and thus makes protecting the category of paramount importance. The Agency does not wish to make the EEC certification unduly burdensome but also shares the legislature's aim of prioritizing benefits for those most likely to have faced barriers and discrimination~~, and thus proposed in the version of this Plan filed with the Commission for approval in October 2023 to augment the EEC certification process to address this pattern. The Commission rejected some of these proposals in approving this Long-Term Plan, as explained further below.~~.

~~The IPA proposed two additional requirements for EEC certification in its October 2023 filed Plan. First, the IPA proposed that majority-owner EEP(s) would be required to provide a demonstration of socio-economic status. The Agency believed that would control for the breadth of communities that are EIECs, particularly in the Chicago area, where some EIECs are home to low- and moderate-income families that have lived there for decades, but also to new luxury housing developments and an influx of wealthier residents. In this context, it is not surprising that some well-established clean energy companies have qualified as EECs based on residency. However, the Agency strives to meet the *spirit* and *intent* of the law, not just the letter, and the EEC designation is meant to support "businesses and workers from communities that have been excluded from economic opportunities~~

~~in the energy sector."[875] In light of this, the Agency proposed to require those seeking to certify a company as an EEC to provide a demonstration of the economic status of the majority-owner EEP(s), such as a tax return or other financial documentation. In its Final Order, the ICC disagreed and did not approve this additional threshold requirement.[876]~~

~~Second, the IPA proposed that an EEP or EEPs serving as the majority-owner(s) of an EEC must demonstrate that they have control of and are active in the management of the business - that they are not simply a silent partner(s). The Agency did not propose to create a prescriptive set of documents that an EEC must provide, for several reasons. First, the Agency already collects many business documents through the Approved Vendor and Designee registration process, and thus may already have several pertinent documents. Second, due to the great diversity in the size and types of businesses that participate in Illinois Shines and utility-scale clean energy projects, the Agency preferred to leave room for demonstration of control through a variety of documents. The ICC's Final Order declined to adopt this proposal and instead directed the IPA to conduct stakeholder feedback process to identify "the best and most appropriate, balanced methods to prevent manipulation without overly burdening EEPs," in lieu of adopting this and the socio-economic status proposal.[877] The Agency plans to begin this stakeholder feedback process in May 2024 to identify enhancements to the EEC certification process. The feedback process will aim to gather input from various stakeholders, including EEPs, Approved Vendors, Designees, clean energy small businesses, and community organizations. The feedback will focus on alternative strategies for demonstrating control or active management by EEPs, demonstration of socio-economic status of the majority-owner EEP(s), and to deter manipulation of the EEC category without unduly burdening EEPs.~~

~~The Agency proposed in the filed 2024 Plan to institute additional requirements for EEPs that serve as majority-owners of EECs in response to patterns observed in the EEC Category thus far that do not align with the legislative intent. First, all EECs will need to re-certify as an EEC each year alongside the annual renewal of their AV status. As part of that process, EEPs that serve as the majority-owner of an EEC and qualify as an EEP based on residency will be required to re-certify their status as an Equity Eligible Person. For EECs majority-owned by EEPs that qualify based on one of the other criteria, this re-certification will only require confirmation of continued majority-ownership by the EEP(s). Annual re-certification of EECs will ensure that the IPA is notified of any changes in ownership of the company. Requiring that an EEP majority-owner that qualifies based on primary residency re-certify each year also prevents an individual from simply renting an apartment in an EIEC for one year to create an EEC. This proposal was accepted by the Commission, noting in the Final Order that the IPA "may adopt new requirements to maintain the integrity of the EEC category[.]"[878]~~

~~Second, an individual Equity Eligible Person may only serve as the majority-owner of one Equity Eligible Contractor Approved Vendor and one Equity Eligible Contractor Designee. The EEP also may create Single-Project Approved Vendors that are EECs. However, an EEP may not serve as the majority-owner for multiple EEC Approved Vendors or multiple EEC Designees. As described above,~~

~~[875] 20 ILCS 3855/1-75(c-10).~~

~~[876] Final Order at 140, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

~~[877] Final Order at 144, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

~~[878] Final Order at 127, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

~~the Agency is very concerned with the potential for "sleeving," therefore, the Agency will only allow an individual EEP to serve as majority-owner of one Approved Vendor and one Designee.[879]~~

~~Currently, EECs may decline to be highlighted as an EEC on the Illinois Shines website, which hosts a list of all registered Approved Vendors. However, Section 1-75(c-25)(2)(F) requires that the Energy Workforce Equity Portal include "a list of equity eligible contractors with their contact information, types of work performed, and locations worked in." Therefore, the Agency will include a list of all certified EECs on the Equity Portal but is proposing to not disclose the basis upon which an EEC qualified.~~

~~10.1.2.2 Application of the MES to Equity Eligible Contractors~~

The IPA Act directs the Agency to determine the extent to which the Equity Accountability System has advanced the goals of P.A. 102-0662. It further enables the Agency to make modifications necessary to advance the goals of the IPA Act. Section 1-75(c-10)(7) of the IPA Act expressly authorizes the Agency to "revise . . . definitions for equity investment eligible persons and equity investment eligible community; and [] such other modifications necessary to advance the goals" of the statute. To ensure that the certification process aligns with statutory intent, and in response to substantial stakeholder feedback, the Agency proposes to begin requiring EEC Approved Vendors to demonstrate that they are directly controlled and managed by their EEP-qualifying owner. Because the Agency intends primarily to address the issue of capacity in the EEC Category, and wishes to minimize the burden on EECs, these requirements apply only to Approved Vendors and not to Designees or Subcontractors.

The IPA initially proposed these changes to the EEC Category in the draft 2024 Plan, but the Commission concluded that more stakeholder feedback was necessary to ensure that significant changes to EEC certification strike a fair balance between requirements that burden EEPs and reducing manipulation of the system.[880] In response, on April 1, 2025, the Agency requested multiple rounds of stakeholder feedback on potential strategies to enhance the EEC certification process to inform its updates to this Long-Term Plan. On May 19, 2025, the Agency again requested feedback on the topic. Nearly all of the stakeholder responses acknowledged that they, too, had concerns about certain companies manipulating the Agency's programs through "sleeving" or "pass-through" arrangements. Of the stakeholders who provided written comments on this issue, seven entities, including four EECs or EEC coalitions, one labor organization, one trade organization, and one advocacy organization, agreed that the Agency should take action, with most stakeholders indicating that they were supportive of the idea to require disclosure and evaluation of a company's governance documents. Several stakeholders further suggested that the IPA draw from well-established programs that certify businesses owned by historically disadvantaged persons. Multiple stakeholders also suggested that the Agency include additional requirements, such as interviews, site visits, or trade proficiency. Only one commenter, an EEC, opposed the creation of enhanced certification requirements for EECs.

After evaluating this valuable feedback, the Agency proposes that EEC applicants will now be required to submit information to demonstrate that the EEP owner of the entity actually controls and manages the business. Those individuals must be in direct control of the day-to-day operations and

~~[879] Final Order at 154, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[880] Final Order at 174, ICC Docket No. 23-0714 (Feb. 20, 2024).

must have and exercise the power to make major decisions on management, policy, fiscal, and operational matters. The Agency will provide specific guidance on the acceptable documents showing management and control in the Illinois Shines Program Guidebook. In summary, the EEC-Approved Vendor must demonstrate, at minimum:

i. How the owner EEPs were involved at the time of incorporation;
ii. The duties of the owner EEPs;
iii. The rights, voting power, and other authorities held by the owner EEPs;
iv. Whether the owner EEPs make decisions independently;
v. Whether the owner EEPs have sufficient background, including education and training, to run the business;
vi. Who in the business negotiates contracts and loans, prepares estimates, and makes other supervisory decisions;
vii. Any shareholder rights that would dilute or eliminate owner EEPs' control or affect owner EEPs' voting rights; and
viii. Whether the owner EEPs hold other employment outside the EEC and, if so, the relationship of that business or entity to the EEC business.

The Approved Vendor seeking EEC designation will have two pathways to show management and control. Entities that have a business certification from qualifying programs will be considered to have met the management and control requirement, as long as the majority owner(s) exercising control and management over the business is an EEP(s). The second pathway will be to demonstrate management and control through the submission of documents for the Agency's review and consideration.

An Approved Vendor seeking certification as an EEC Approved Vendor shall be able to register through the first mechanism if they have a qualifying business designation as a:

i. Minority or Women-Owned Business Enterprise (M/WBE);
ii. Business Enterprise Program (BEP);
iii. Disadvantaged Business Enterprise (DBE);
iv. 8(a) Business Development Program; or
v. An alternate certification of majority-owner status of a historically disadvantaged group.

The Agency may also consider alternative historically disadvantaged business certifications if they align with the spirit of the EEC category, as determined by the Agency's review of certification credentials. Entities with one or more of the above certifications will be required to submit their certification documentation and proof of the majority owner's certification as an EEP.

Entities that have not been previously certified through one of the above historically disadvantaged business programs will need to show that an EEP has control and management of the business by providing certain required documents. Examples of the types of documents that may be required by the Agency are:

i. An attestation by the EEP that they control and manage the business;
ii. Form identifying the corporate ownership structure;
iii. Form identifying the role the EEP plays in the business; and
iv. Certification that the owner is an EEP.

Entities seeking to establish EEC certification may also submit, or may later be required to submit, additional evidence of control and management by the owner EEP. Moreover, if the above documentation cannot or does not sufficiently show an EEP manages and controls the business, the Agency may request an interview or site visit to make a final certification designation. EECs will be required to renew their certification annually, and if no change has occurred in the business structure, they may renew by an affidavit of no change. Certification determinations will be appealable to the IPA.

Entities with a current EEC certification will have to provide documentation showing management and control of the business by the EEP owner at the next recertification in order to maintain their EEC status. Entities that are not recertified as EECs at their next recertification will have six months from the loss of certification to come into compliance by obtaining a certificate from a designated program or proving management and control to the Agency. Entities unable to maintain their EEC status and that have existing projects under a REC contract in the EEC category must reassign their projects to another qualifying EEC.

10.1.2.3 Application of the MES to Equity Eligible Contractors

Under Section 1-75(c-10), there are three elements of the Equity Accountability System: the Minimum Equity Standard, the EEC Category of Illinois Shines, and the equity requirements for competitive procurements of Indexed RECs from utility-scale projects. The 2022 Long-Term Plan interpreted the inclusion of the EEC Category as an equal pillar of the Equity Accountability System to mean that an EEC was in compliance with the Equity Accountability System by virtue of its status as an EEC. Yet, as discussed above, the Agency has seen worrying instances of gaming within EECs and sought stakeholder feedback on requiring that EECs meet the MES, to ensure these entities are truly meeting the equity goals of the IPA Act.

While the Agency sees potential value in requiring EECs participating in the EEC Category of Illinois Shines or that feature a minority-owner that is a non-EEC ~~AV~~Approved Vendor to meet the MES, EECs will not be required to do so under this ~~2024~~2026 Plan. ~~The Agency hesitates to put additional burdens on EECs when the concept is new and when there are still few certified EECs.~~ Additionally, the Agency issued interpretive guidance in April 2023 allowing entities that subcontract with EEC Designees (or subcontractors in the context of utility-scale projects) to count the EEPs in their project workforce from those EEC Designees 1.5 times toward meeting the MES.[~~881~~] This decision sought to provide ~~a tangible~~an incentive for ~~AVs~~Approved Vendors to work with EECs, an incentive that would be mooted were the IPA to require those same EECs to themselves meet the MES.

10.1.3 Definitions and Eligibility: Project Workforce

Section 1-10 of the IPA Act does not provide a definition for "project workforce," which is the population to which the Minimum Equity Standard applies. As explained in more detail in Section ~~10.1.4~~10.1.4 below, in calculating MES compliance, the IPA Act utilizes a denominator of "project workforce" and a numerator of "equity eligible persons," and MES compliance is determined by whether the MES compliance percentage is successfully met. ~~-~~But advancing equity interests is not maximized through merely applying this minimum percentage to only those who work at project sites installing panels. Ensuring opportunities for ~~equity eligible persons~~Equity Eligible Persons

[~~881~~] ~~See "Minimum Equity Standard Frequently Asked Questions for the Illinois Shines Program," https://illinoisabp.com/wp-content/uploads/2023/04/Minimum-Equity-Standard-FAQs-for-the-Illinois-Shines-Program-14-April-2023.pdf.~~

across office roles, sales roles, and other roles not filled by laborers or electricians is essential for ensuring that the Illinois clean energy economy grows in a truly equitable manner.

The IPA developed a definition that reflects the context and language in Sections 1-75(c-10), (c-15), (c-20), and (c-25~~)~~), as well as previously IPA-published guidance regarding required workforce reporting. For the purposes of the Minimum Equity ~~Standards~~Standard, the IPA defined "project workforce" as the following:

> ~~"~~Employees, contractors and their employees, and subcontractors and their employees, whose job duties are directly required by or substantially related to the development, construction, and operation of a project that is participating in or intended to participate in the IPA-administered programs and procurements under Section 1-75(c) of the IPA Act. This shall include both project installation workforce and workforce in administrative, sales, marketing, and technical roles where those workers' duties are performed in Illinois~~."~~.
> ~~The Agency received feedback from program participants regarding challenges with the current approach. According to feedback, the breadth of occupations included in the project workforce makes it difficult to fully define which persons and subcontractors are part of the workforce for a given project, particularly if some of those positions include significant work performed out of state or are services requiring a relatively small portion of project hours (e.g., a surveyor assessing a site for two hours). Therefore, the Agency proposed adding the following language to the definition of "project workforce" and the ICC approved this change:~~[882]

The Agency has further explained:

> For purposes of this definition, 'directly required by or substantially related to' shall be construed to be any direct employee of the Approved Vendor, Designee, or Indexed REC contract holder, or any contractor and its employees whose contract exceeds 5% of the REC Contract value. Employees of contractors below that threshold may be counted toward the MES on a voluntary basis, but then all contractors below the 5% of REC contract value threshold must be included.~~"~~[883]

The definition of "project workforce" is also used for certain project selection processes~~, but the Agency does not believe this change will have a significant impact on that process.~~. For more information on the role of Equity Eligible Contractors and the MES in Illinois Shines, see Chapter 7.

To further clarify, an entity's project workforce for a given ~~program year~~Program Year will include individuals employed, either directly or through contractors or subcontractors, during that ~~program year~~Program Year who work on projects either already participating in an IPA program or that are intended to participate in an IPA program.[884] ~~The~~ For Illinois Shines projects, the scope is any work performed in service of a project during that ~~program year~~Program Year, across types of projects and types of work. ~~For non-construction activities, only~~Only work performed in Illinois – that is, the individual is physically located in Illinois while performing their duties – should be included in determining the project workforce. ~~The Agency adopted this definition to ensure the greatest access~~

~~[882] Final Order at 155, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[883] Final Order at 155, ICC Docket No. 12-0714 (Feb. 20, 2024).

~~[884] For utility-scale projects participating in competitive Indexed REC procurements, MES compliance only applies to construction activities. See Section 10.1.7 below for details on special considerations for both utility-scale projects and projects generating RECs used for compliance in the Large Customer RPS Self-Direct Program.~~

~~to the diverse range of economic opportunities created by solar development in Illinois~~ For utility-scale renewable energy projects, the scope is limited to construction activities performed in service of a project during that delivery year. Because some utility-scale projects are located in an adjacent state, construction work performed outside of Illinois is included in determining the project workforce.

~~The solar industry creates a variety of new employment opportunities beyond construction and installation. The objective of the equity provisions of Illinois shines is to advance "priority access to the clean energy economy," which includes occupations outside of the trades. The IPA believes that a truly equitable clean energy economy would not limit opportunity for equity eligible persons to a specific set of occupations. Furthermore, because many of the workforce training programs that would qualify a person as an EEP are not yet running, a more expansive definition of project workforce provides more opportunities to hire EEPs and meet the MES.~~

In ~~addition,~~ the 2022 Long-Term Plan, the IPA interpreted the Minimum Equity Standard as a percentage of the number of persons in the workforce – whole persons, regardless of the number of hours worked on that project. ~~A second major topic of stakeholder feedback was the potential change to an hours-worked basis for the MES. An~~ In other words, an eligible person hired for a project counts toward meeting the MES regardless of how many hours they work. ~~While this interpretation was originally adopted to provide flexibility for an industry that often hires individuals for contract work rather than permanent employment~~In the 2024 Long-Term Plan, the Agency ~~has received~~ noted that there had been reports of ~~AVs and Designees~~entities hiring ~~equity eligible persons~~EEPs but ~~not~~ giving them ~~any work,~~little or ~~employing those EEPs for just a few hours then letting the person go. This approach is extremely concerning and not in line with the spirit of the MES.~~no work. However, the Agency ~~also hesitates to move to an hours-worked~~ determined that, for the 2024 Plan, it would not alter the basis for MES compliance ~~before the first year of~~ so early in its implementation ~~ends and~~and would maintain the same interpretation of measuring the ~~IPA has results and data upon which to base future program changes. The 2024 Plan maintains its current interpretation of the MES as being measured in~~ whole number of EEPs ~~within~~in the project workforce~~, but the IPA emphasizes that such gaming behavior would be a persuasive reason to change to an hours-worked basis in the future. If the~~. The Agency ~~continues~~emphasized at that time that if it continued to learn of such tactics, it ~~will strongly consider taking that action. If there are other methods of preventing such practices, the Agency is~~ would be open to ideas to ensure ~~that equity eligible persons receive~~ EEPs received quality employment in IPA programs. However, in the most recent stakeholder feedback from June 2025, none of the stakeholders expressed concerns about gaming behavior with respect to the workload assigned to EEPs. As such, in this 2026 Plan, the Agency maintains its interpretation of the MES from the ~~clean energy economy.~~ 2024 Plan regarding the method of calculating EEPs in the project workforce, with the calculation denominator being the total "project workforce" and the numerator being the number of EEPs within that workforce.

10.1.4 MES and Calculating Targets

There are two determinations necessary for calculating whether an entity has met the MES: the size of the relevant project workforce (the denominator), and the number of Equity Eligible Persons employed in that workforce (the numerator). The project workforce scope and definition are described in the previous section. ~~For~~ For Illinois Shines Approved Vendors, the employees of their non-EEC Designees are not included in that Approved Vendor's project workforce, as those non-EEC Designees must submit a Compliance Plan and meet the MES independently, but employees of the

Approved Vendor's non-Designee subcontractors or EEC Designees that work on the relevant projects are included.

Once the number of individuals within the project workforce has been established, an entity can calculate the number of ~~equity eligible persons or contractors that must be included in the project workforce in order~~Equity Eligible Persons or Contractors that are needed to meet the Minimum Equity Standard by multiplying the total project workforce by the MES in effect that Program ~~year~~Year. Entities may end up with a fractional number. ~~The~~With the exception of the small business Safe Harbor circumstances discussed in Section 10.1.6.3, the IPA will round to the nearest whole number for determining the ~~applicable target~~minimum number of EEPs to achieve the relevant MES. ~~As a result, companies with a project workforce of less than ten may have a target number of EEPs of zero, depending on the applicable MES for the program year.~~

~~An entity may not meet~~For Program Year 2025-26, the MES ~~solely through contracting~~compliance rate has increased to 14%, meaning that entities with ~~an EEC that itself has a *total*~~eight or more employees must have at least one EEP employed within its workforce ~~of at least 10% of the overall *project* workforce. Instead~~to be considered compliant (unless they are eligible for the Safe Harbor approach). For Program Year 2026-27, the ~~entity must include the employees of that EEC working on~~MES compliance rate will maintain at 14%. For Program Year 2027-28, the MES compliance rate will increase to 18%, at which time entities with six or more employees must have at least one EEP. For Program Year 2028-29, the ~~project in the denominator (described above) of the calculation. The Agency will~~ MES compliance rate will further increase to 22%, requiring entities with four or more employees to have at least one EEP. To encourage partnerships with EEC subcontractors, the Agency will count ~~Equity Eligible Persons~~EEPs employed by an EEC-certified contractor or subcontractor, including the Equity Eligible Person majority-owner, 1.5 times in calculating compliance with the MES. In this way, an entity will more easily meet the MES if they contract with an EEC~~, but that alone will not be enough.~~ .

10.1.4.1 ~~-~~Schedule of MES Increases

~~The Agency proposed in the 2022 Plan to increase the Minimum Equity Standard to 12% for the 2024-2025 delivery year. In this 2024 Plan, the Agency will maintain the current MES of 10% for the 2024-25 Program Year and increase the MES to 14% for the 2025-2026 Program Year. The Agency hesitates to increase the MES for the 2024-2025 Program Year before it has results on achievement of the MES for the current year – especially while the workforce training programs created by CEJA are still under development and not yet enrolling participants.~~

The IPA Act requires the ~~minimum equity standard~~Minimum Equity Standard to increase over subsequent delivery years to eventually reach 30% by 2030 and directs the Agency to publish a schedule of increases. ~~A slower initial rate~~In Program Year 2024-25, the Agency maintained the MES of ~~increase will~~10% in order to provide the solar industry time to prepare for ~~these standards~~the progressively increasing standard, as well as allow for workforce development and other programs administered by the ~~Department of Commerce and Economic Opportunity~~DCEO to have time to ramp up. The ~~IPA will utilize the following schedule of increases.~~ most recent data from the EAS Assessment shows that the average MES percentage across both Approved Vendors and Designees was 18%. As such, the data demonstrates that the industry is prepared for the first increase of the MES. Therefore, the Agency has increased the MES to 14% for Program Year 2025-26.

~~**Table 10-1: Future Minimum Equity Standard Percentage Increases**~~

Years	Scheduled MES Increase	% Increased
2024-2025	10%	-
2025-2026	14%	+4%
2026-2027	18%	+4%
2027-2028	22%	+4%
2028-2029	26%	+4%
2029-2030	30%	+4%

~~At this time~~However, after consultation with DCEO, the Agency understands that the CEJA workforce development grants are expected to be fully awarded and the workforce training programs will ~~not create different~~ be operating at capacity by Program Year 2026-27. In recognition of this implementation timeline, and in response to stakeholder feedback requesting a more gradual increase, the Agency will maintain the MES at 14% for both the 2025-2026 and 2026-2027 Program Years. Beginning in Program Year 2027-28, the MES will increase by 4% annually to steadily move the solar industry toward the statutory requirement of 30% by Program Year 2030-31. This revised approach provides the clean energy sector with additional time to develop the workforce pipelines needed to meet the MES requirements.

Below is the Agency's revised schedule of MES increases.

Table 10-1: Minimum Equity ~~Standards for~~ Standard Percentage Increases

Years	Scheduled MES Increase	% Increased
2024-2025	10%	-
2025-2026	14%	4%
2026-2027	14%	-
2027-2028	18%	4%
2028-2029	22%	4%
2029-2030	26%	4%
2030-2031	30%	4%

In examining the potential for regional differences in MES percentages, the Agency considered stakeholder feedback submitted in June 2025 and found that the majority of stakeholders did not think it was appropriate or practicable to apply different MES percentages in different regions of the state ~~as the Agency does not have data yet on the achievement of the MES in different geographies, nor does it have a full picture of the availability of~~ . In response, the Agency will continue to apply a single Minimum Equity ~~Eligible Persons and Contractors in different areas~~Standard for all regions of the state. Similarly, the Agency does not have different MES requirements for different categories of Illinois Shines or for competitive procurements. ~~Those~~ Utility-scale projects that receive an Indexed

REC delivery contract are already on a delayed ~~timeline,~~ schedule of MES increases, since the MES applied to a project is the MES in effect at the time of the procurement event, ~~even though~~ rather than the time of construction, which often occurs up to several years later. Therefore, the ~~Agency~~IPA will keep the above schedule and will ~~instead~~continue to evaluate the ~~initial~~ performance of the Equity Accountability System ~~in its first year~~and to consider ~~regional and~~any programmatic adjustments in the next Plan update.

10.1.5 Compliance Requirements and Timeline

The Equity Accountability System took effect at the beginning of ~~the~~Program Year 2023-~~2024 delivery year~~24 on June 1, 2023. By June 1 of each following ~~program~~ Program Year or delivery year, Illinois Shines Approved Vendors and Designees and ~~utility-scale developers~~Competitive Procurement Suppliers that submit a winning bid for a REC delivery contract ~~will be~~are now required to file an annual Minimum Equity Standard Compliance Plan ("Compliance Plan"). ~~Section 10.1.8. sets forth special considerations for utility-scale project's compliance with MES.[885] After the end of that program year, those entities must submit a Year-end Report to demonstrate how they met the Minimum Equity Standard, as required by subparagraphs (~~Consistent with Section 1-75(c-10)(1)(A~~) and (1)(C) of Section 1-75(c-10). The),~~ Compliance Plans ~~will~~ reflect how the ~~Approved Vendor or Designee~~ entity plans to achieve the MES for work completed in the upcoming ~~delivery year, while the Report will demonstrate how the Approved Vendor or Designee~~ Program/delivery year. In accordance with Section 1-75(c-10)(1)(B), halfway through the Program/delivery year, entities are asked to provide a confirmation that they will achieve compliance in that year, which the Agency refers to as the Mid-Year Report. After the end of that Program/delivery year, entities must submit a Year-End Report to demonstrate how they achieved compliance with the MES for that ~~delivery year.~~ year, as required by subparagraph (1)(C) of Section 1-75(c-10). Section 10.1.8 sets forth special considerations for a utility-scale project's compliance with the MES.

10.1.5.1 ~~-~~MES Compliance Plans

The MES Compliance Plan is the first element of meeting the Minimum Equity Standard. All Approved Vendors and Designees in Illinois Shines must file a Compliance Plan by June 1 of each Program Year ~~(see Section 10.1.8 for the utility-scale project timeline).~~. Approved Vendors and Designees must file a Compliance Plan even if they do not expect to hire any new workers in the upcoming year. ~~If an entity applies to be an Approved Vendor or Designee during a delivery year, the Agency will require a Compliance Plan at the time of the initial Approved Vendor or Designee application. Approved Vendors~~ Approved Vendors and Designees who are ~~Equity Eligible Contractors~~EECs are considered to be in full compliance with the Equity Accountability System~~, and~~ by virtue of their status as an EEC and, therefore ~~do not need to submit a~~, their Compliance Plan.[886] only requires confirmation that they are an EEC.

Approved Vendors that are affiliated with each other may be allowed to submit a combined Compliance Plan where they have a common parent company. ~~Please see~~ If an entity applies to be an Approved Vendor or Designee during a Program Year, the Agency will require a Compliance Plan at the time of the initial Approved Vendor or Designee application. Approved Vendors do not need to

[885] ~~Final Order at 156, ICC Docket No. 23-0714 (Feb. 20, 2024).~~

[886] ~~This would not apply if an Approved Vendor previously designated as an EEC subsequently reverted to a non-EEC Approved Vendor during the annual Approved Vendor Registration Renewal (for example, if the EEP majority-owner sold the company to a non-EEP).~~

report the MES compliance of their Designees, but shall report which Designees they worked with in the Program Year to allow the Agency to correlate activities and compliance.

Section ~~10.1.8 for~~10.1.8 contains MES rules specific to Competitive Procurement Suppliers.

Compliance Plans must include the following items:[887]

i. Company and contact information.
ii. Attestation affirming intent to comply with requirements related to the Minimum Equity ~~Standards.~~ Standard.
iii. Disclosure of any categories that apply to the business, including:
    a) Minority-owned Business Enterprise (MBE)
    b) Woman-owned Business Enterprise (WBE)
    c) Disabled-owned Business Enterprise
    d) Veteran-owned Business
    e) Small Business
iv. A narrative description of how the company will ensure that ~~at least 10% of its project workforce are Equity Eligible Persons~~it meets the MES.
v. Disclosure if the entity works with subcontractors that are not registered as Designees (for accurate calculation of project workforce).
vi. Projected total project workforce subject to the MES requirements.
vii. Estimated number of Equity Eligible Persons currently in project workforce.
viii. Projected number of Equity Eligible Persons entity seeks to hire to meet MES compliance.
ix. Plans for the use of Equity Eligible Contractors, if applicable.
x. Any known or projected use of non-EEC Designees (for tracking Plans related to the same projects).
xi. Communication plan for local outreach to increase the utilization of Equity Eligible Persons and Equity Eligible Contractors.
xii. Status of any corrective actions or adjustments from prior Compliance Plans.

~~Approved Vendors in Illinois Shines do not need to report the MES compliance of their Designees but shall report which Designees they worked with in the program year to allow the Agency to correlate activities and compliance.~~

The IPA or Program Administrator will review Compliance Plans for completeness ~~and,~~ assess the reasonableness of the planned efforts to meet the MES~~.~~, and either approve, reject, or recommend corrections. Compliance Plans will ~~either~~ be ~~approved or rejected~~assessed based on ~~providing~~ the provision of all required information, ~~describing in reasonable detail the approach~~including a commitment to employing or contracting sufficient EEPs to meet the MES~~, and whether the current workforce meets the MES.~~

~~Once the Compliance Plan Assessment review is complete, the Agency will notify the program participant of its approval or recommend corrections. Section 1-75(c-10)(1)(B) and (D) of the Act authorize the IPA to "offer corrective action plans to entities that are not on track to achieve~~

~~[887] A more comprehensive list of compliance plan questions asked and information required to be disclosed can be found here: https://illinoisabp.com/wp-content/uploads/2023/04/Minimum-Equity-Standard-Compliance-Plan-SAMPLE-for-the-Illinois-Shines-Program.pdf.~~

~~compliance"[888] and "to assist them in obtaining compliance and shall allow continued access to procurement programs upon an approved vendor or designee demonstrating compliance."[889]~~

~~After the final submission of the Approved Vendor, Designee, or Competitive Procurement Supplier's MES Compliance Plan, the Agency or Program Administrator will review and accept or reject the Compliance Plan. The Agency will accept multiple revisions of a proposed Compliance Plan, according to the process outlined in Section 10.1.5.4 below.~~. The Agency will strive to notify entities of MES Compliance Plan status in a quick and efficient manner, but response times may be delayed during periods ~~of high submission volumes~~where there is a high volume of submissions.

~~Under Section 1-75(c-10)(1)(A)-(C) of the Act, applicants must submit a Compliance Plan at the beginning of each delivery year and Year-end Report for each year that they participate in an IPA program or procurement. However, the Agency will reassess process efficiencies as the program progresses and welcomes feedback on options for combining reporting requirements.~~

~~10.1.5.2 Mid-year Progress~~

~~10.1.5.2~~ ~~As required by Section 1-75(c)(1)(B) of the Act, the Agency will require each Approved Vendor, Designee, or Competitive Procurement Supplier to confirm the Minimum Equity Standard Compliance Plan is progressing according to Agency requirements halfway through the delivery year. Failure to provide a Mid-year Progress confirmation will count against the~~ Mid-Year Report

Pursuant to Section 1-75(c-10)(1)(B) of the IPA Act, halfway through the Program Year or delivery year, all Approved Vendors, Designees, and Competitive Procurement Suppliers are asked to confirm that they are on track to achieve compliance with the MES by completing a Mid-Year Report. If an entity's Mid-Year Report indicates that they are not on track to achieve compliance for the year, the Agency or Program Administrator may offer additional resources to assist the entity in meeting the MES. If an entity fails to provide a Mid-Year Report and later seeks a waiver of the MES for the same Program/delivery year, the Agency will count the failure to provide a Mid-Year Report against that entity.

10.1.5.3 Year-End Report

All Approved ~~Vendor or Designee if the entity seeks a waiver of the MES in that Program Year.~~

~~10.1.5.3 Year-end Report~~

~~Each Approved Vendor, Designee, or~~ Vendors, Designees, and Competitive Procurement ~~Supplier~~Suppliers, including those that are EECs, must ~~then~~ submit a Year-~~end~~End Report within 45 days after the end of the Program Year or delivery year in which they have had active participation through activities developing a project or projects.

~~[888] 20 ILCS 3855/1-75(c-10)(1)(B).~~

~~[889] 20 ILCS 3855/1-75(c-10)(1)(D).~~

The Agency will provide a template with all required elements of the Year-~~end Report.~~End Report. Consistent with Section 1-75(c-10)(1)(C), the Year-End Report will demonstrate compliance with the MES percentage requirements. Failure to comply with the MES requirements may result in suspension and the inability to be awarded future REC contracts. If an entity has no activity during the year, that may be indicated on the Year-~~end report~~End Report and compliance obligations will not apply.

~~The Year-end Report will demonstrate achievement of the MES percentage requirements and failure to comply with the Minimum Equity Standard requirements may result in suspension, and the inability to be awarded REC Contracts for the remaining Program Year.~~

~~The MES Year-end~~End Report will require Approved Vendors and Designees to certify each individual EEP they claim to have employed through ~~the~~an attestation provided by the Agency, unless the EEP has already been certified. ~~The Agency had proposed that they do so through the Portal, as the alternative is to attach all EEP Certifications to the Year-end Report.~~ The Agency encourages program and procurement participants to direct their employed EEPs to certify through the Equity Portal, as ~~that will~~Portal certification by EEPs serves to streamline the process for all parties.

10.1.6 Noncompliance with MES

If the ~~Agency~~IPA determines that an Approved Vendor, Designee, or Competitive Procurement Supplier has failed to comply with ~~any of~~ the applicable MES requirements ~~set forth by the Agency, or any contract~~, the entity will be notified and may face disciplinary action.

The Agency ~~will~~may impose consequences for violations by program participants, including, but not limited to the following:

i. Notice of Potential Violation;
ii. Provision and implementation of a Corrective Action Plan;
~~ii.~~iii. Suspension of the entity's ability to submit project applications to IPA programs or to participate in competitive procurements ~~during the remainder of the delivery year.~~until compliance is achieved; and
~~iii.~~iv. ~~Repeated~~For repeated violations ~~could potentially result~~ suspension of the entity's ability to participate in ~~the Approved Vendor or Designee becoming suspended from the IPA's~~ IPA programs for an entire Program/delivery year or more~~. Competitive Procurement Suppliers could likewise be barred from participation~~ or to participate in future competitive procurement events.
~~i. Provision of Mid-year Progress information~~

~~If the entity~~
If an Approved Vendor or Designee does not submit a Compliance Plan or ~~if the~~ fails to submit a Compliance Plan ~~fails to meet~~that meets the ~~required Minimum Equity Standards after~~requisite MES, the ~~chance to resubmit, it~~entity will receive a Notice of Potential Violation ~~(~~("NOPV~~).~~"). If~~,~~ after receiving the NOPV, the entity ~~doesn't~~still does not submit ~~an edited~~a Compliance Plan or ~~the~~a revised Compliance Plan still does not ~~pass after receiving an NOPV, it~~meet the Agency's requirements, the Agency will ~~be issued~~issue an official warning letter ~~from~~to the ~~Agency~~entity. If the entity does not ~~submit an edited Compliance Plan or the revised Compliance Plan still does not pass~~come into compliance after receiving a warning letter, it will be issued a suspension letter.

If an entity does not submit a Year-End Report or the Year-End Report fails to meet the requisite MES, the entity will receive a NOPV. If, after receiving the NOPV, the entity still does not submit a Year-End Report or a revised Year-End Report still does not meet the Agency's requirements, it will be issued a suspension letter.

Suspensions of an Approved Vendor or Designee in ~~the Adjustable Block Program~~Illinois Shines will be noted on the ~~program~~Program website's lists of Approved Vendors and Designees, as well listed on the disciplinary actions report and in the Energy Workforce Equity ~~Database~~Portal. Suspensions of Competitive Procurement Suppliers will be noted on the Procurement Administrator's website, as well as the Energy Workforce Equity Portal.

10.1.6.1 Waivers

In the event an Approved Vendor, Designee, or Competitive Procurement Supplier is unable ~~to fulfill the minimum equity standards for a given delivery year~~meet MES obligations, Section 1-75(c-10)(1)(D) of the IPA Act allows that entity to seek a waiver. The statute specifies that the Agency retains the ~~sole~~ discretion to grant ~~a waiver~~waivers in rare circumstances.

~~In its Final Order approving the 2022 Plan, the ICC directed the Agency to assess each waiver request based upon a quantitative scoring system.[890] Given the breadth of factors at issue in a waiver assessment and the need for transparency of the waiver evaluation process, the Agency conducted~~Following a stakeholder feedback process ~~to design a more~~in 2023, the IPA designed a detailed waiver application and assessment process. ~~The~~ The waiver includes ~~the~~a number of criteria ~~proposed by IPA and stakeholders~~, with each criterion earning a discrete number of points~~, though the Agency may consider adjusting the criteria based on stakeholder feedback and experience in the first year of MES implementation.~~.

The Agency will grant waivers where the applicant provides evidence of significant due diligence toward meeting the ~~minimum equity standards.[891]~~MES. These efforts should include~~:~~, at minimum:

i. A brief narrative describing the entity's effort to recruit Equity Eligible Persons prior to the start of project development. Such an effort should include utilization of the Energy Equity Workforce ~~Database~~Portal developed by the Agency as well as the following:
   a) Working with approved State job training and workforce development programs to recruit EEPs, including evidence of outreach;
   b) Maintaining applications of individuals not selected for an opening for contact regarding future project openings;
   c) Participating in job fairs and related local community events to recruit EEPs;
ii. Efforts to hire or contract with Equity Eligible Contractors should be demonstrated through documentation from affiliated community-based organizations and/or training program facilities, State workforce hubs, union hall registers, professional development associations, etc. This should include the date of contact, the name of the agency official and the title of the individual contacted;
iii. ~~Utilization~~Continuing utilization of the Energy Workforce Equity ~~Database~~Portal;

~~[890] See Final Order at 159, ICC Docket No. 22-0231 (Jul. 14, 2022).~~

~~[891] MES Waiver Requests Union and Non-Union published March 22, 2023.~~

iv. Outreach on various platforms of targeted social media, engagement in direct and extensive outreach to relevant associations or organizations to notify them of the project opportunity.

~~Given that the Agency does not yet have any practical data on the number of waivers that will be requested, the basis of those waivers, or the suitability of the current waiver requirements, the Agency notes that it may need to adjust the above list of efforts to be included in a waiver request based on the outcomes of this first year of implementation.~~

~~The Agency will also consider waivers for entities that have a small project workforce, as defined above, or do not intend to hire any new individuals. All entities, regardless of size, should submit a Compliance Plan and provide a planned approach for recruiting EEPs in the event they do need to hire, even unexpectedly. If such hiring need does not materialize, the entity may request a waiver.~~

~~Waiver extensions or subsequent waiver requests from an applicant will need to specify efforts made to reach compliance.~~

Section 1-75(c-10)(4)(E) ~~of the IPA Act~~further directs that, "[w]hen considering whether to grant a waiver, and to what extent, the Agency shall consider the degree to which similarly situated applicants have been able to meet ~~these minimum equity commitments. For repeated waiver requests for specific lack of eligible persons or eligible contractors available, the Agency will make recommendations to target recruitment to add such eligible persons or eligible contractors to the [Energy Workforce Equity] database."~~[the] minimum equity commitments." The IPA will consider assertive, sincere, and results-oriented actions taken by the applicant to comply with the MES as due diligence.

~~The Agency will consider an assertive, sincere, and results-oriented action taken by the applicant to comply with the Minimum Equity Standards as due diligence. Use of the Energy Equity Workforce Database developed by the Agency alone will not qualify as sufficient due diligence.~~

10.1.6.2 Corrective Action Plans

If the Agency determines based on an Approved Vendor, Designee, or Competitive Procurement Supplier's Year-End Report that the entity has failed to comply with the MES or receive a waiver, the Agency may require the entity to submit a Corrective Action Plan ("CAP"). The objective of a Corrective Action Plan is for the entity to come into compliance with the MES. Under a CAP, the entity must complete required activities, indicate any additional activities it plans to take, and specify expected outcomes, timelines, and methods of documentation to demonstrate progress. The Agency and Program/Procurement Administrator will review submitted CAPs and notify the submitting entities of their sufficiency.

Because an entity enters into a Corrective Action Plan after failing to comply with the MES in a given Program Year, the entity will be suspended from the Illinois Shines program or future competitive procurements while they are implementing the Corrective Action Plan. While suspended, the entity is prohibited from marketing the Program, enrolling new customers, and similar activities. For projects executed prior to suspension, entities are permitted to continue with activities necessary to continue them to completion and avoid harm to existing customers. After the entity has implemented the items described in their Corrective Action Plan, they may apply for reinstatement in Illinois Shines. Competitive Procurement Suppliers that have failed to meet contractual MES obligations and have been suspended from participation in future procurement events shall demonstrate that steps have been taken under their Corrective Action Plan to meet the MES for future projects prior to

receiving qualification to bid into those events. Additional information for Approved Vendors and Designees about how to complete a Corrective Action Plan and a subsequent request for reinstatement can be found in the Illinois Shines Program Guidebook.

10.1.6.3 Safe Harbor

To ensure the Minimum Equity Standard is implemented in a manner that is both equitable and practicable, particularly for small businesses, the Agency has developed a Safe Harbor approach for entities with very small workforces. For these entities, strict percentage-based compliance may result in a fractional hiring requirement that is not operationally feasible. The Safe Harbor approach provides an alternative pathway that allows such entities to demonstrate good faith efforts toward compliance through a set of defined outreach and recruitment activities. This policy recognizes the unique constraints of smaller businesses while still advancing the underlying equity goals of the MES.

Entities that are eligible for the Safe Harbor approach are those that (1) have an Illinois-based project workforce that is small enough such that the MES percentage calculation results in less than one person, (2) hired new staff during the Program Year, and (3) did not hire an EEP and do not otherwise meet the MES by having an EEP on staff. In addition to meeting these three eligibility requirements, the entity must also demonstrate good faith efforts to comply with the MES. Additional information about the Safe Harbor approach can be found in the Illinois Shines Program Guidebook.

10.1.7 Special Considerations for Self-~~direct~~-Direct Program

Due to the unique application timeline for projects utilized by large customers seeking to participate in the ~~Large Customer Self~~large customer self-direct ~~Program~~program developed pursuant to Section 1-75(c)(1)(R) of the IPA Act, the Agency will utilize a modified reporting approach regarding MES compliance for these projects. First, like utility-scale projects bid into IPA-administered Indexed REC procurements, the MES will only apply to the construction and installation workforce for projects submitted to the ~~Self~~self-direct ~~Program~~program. Because customers applying to the ~~Self~~self-direct ~~Program~~program generally will only identify these projects to the ~~IPA~~Agency after their construction, the MES applicable to that project would be the MES percentage in effect for the years in which the construction occurs – not the year in which the customer applies to the program. This approach provides certainty to project developers, since the schedule of MES increases may change as the Agency observes rates of achievement and other factors. For projects where construction spans multiple program years, the project must demonstrate compliance with ~~all~~the applicable MES ~~percentages~~in each year of construction, not just the percentage in effect during the first year of construction.

The Agency will encourage, but not require, that a Minimum Equity Standard Compliance Plan be submitted with the self-direct program application. However, the Agency will require that the self-direct program applicant demonstrate achievement of the Minimum Equity ~~Standards~~Standard applicable to the years of the project's construction. See Section ~~6.3.3~~6.3.3 for more details on application of equity provisions to the ~~Self~~self-direct ~~Program~~program.

10.1.8 Special Considerations for Utility~~-scale~~-Scale Projects

Only successful bidders in competitive procurements are required to file an initial ~~MES~~ Compliance Plan, a Mid-Year ~~Progress~~ Report, and a Year-~~end~~End Report.[892] Initial Compliance ~~Plan~~Plans are due within 30 days of ICC approval of the REC contract. ~~In the draft 2024 Plan, the Agency had proposed to change this timing to align with the submission timeline for the Project Labor Agreement, where the initial~~Initial MES Compliance ~~Plan would be due no less than 60 days before construction begins. However, after considering stakeholder feedback, the Agency will maintain the existing timeline. While a set date would be simpler, the point of the MES Compliance Plan is to prompt the developer to plan ahead to ensure the workforce is recruited in such a way that achieves the MES. The IPA conducts two Indexed REC procurements each year, so selecting a single date would inevitably leave a gap of at least six months for some winning bidders between the award of the contract and that MES Compliance Plan Deadline. In those cases, the Agency would have no visibility into or oversight of compliance with the MES if construction were to begin in that window. Therefore, the IPA will continue to require submission of the initial MES Compliance Plan within 30 days of ICC approval of the contract. That initial MES Compliance Plan~~Plans may be streamlined to accommodate developers that are years out from beginning construction. Those Compliance Plans must be consistent with commitments made during the bid registration process. The winning bidder must continue to submit an MES Compliance Plan for each year in which construction activity occurs by June 1 of that delivery year, excluding the initial MES Compliance Plan, which is always due within 30 days of ICC approval of the REC contract.

Due to size and long development timelines associated with utility-scale renewable energy projects and to the fact that most developers are larger national companies with dispersed staff, the Minimum Equity Standard only applies to the construction activities for these projects. Additionally, as discussed in Section 10.1, the required MES percentage requirement for utility-scale projects will be the required percentage in effect during the Program Year in which the project was selected. The entity that receives the Indexed REC Contract will need to submit a Year-~~end~~End Report demonstrating achievement of the MES by June 1 of each ~~program~~delivery year in which construction activities occur, aligning with the Year-~~end~~End Report submission for Illinois Shines Approved Vendors.

If the Agency initially determines that a Competitive Procurement Supplier has failed to comply with the requisite MES, the Agency will notify the entity in writing. Following communication of this initial determination, the Agency may request any additional reports, information, and documentation that are reasonably necessary to determine compliance. If the requested materials are not received by the Agency within 21 days, the Agency may render a finding of noncompliance, as discussed in Section 10.1.6. Requests for an extension for more time to provide such additional information must be made prior any deadlines and will be considered on a case-by-case basis.

As discussed in Section 10.1.6.1, Competitive Procurement Suppliers are permitted to seek a waiver in the event of noncompliance. Additionally, beginning with the 2026 Summer Indexed REC Contract and for all subsequent Indexed REC Contracts, if a Competitive Procurement Supplier has failed to comply with the MES or receive a waiver, the Agency may require the Competitive Procurement Suppler to submit and implement a Corrective Action Plan in order to participate in future competitive procurements. More information about CAPs can be found in Section 10.1.6.2.

[892] Final Order at 156, ICC Docket No. 23-0714 (Feb. 20, 2024).

10.2 Equity Eligible Contractor Category

Companies and individuals ~~could request~~ began requesting certification as an Equity Eligible Contractor ~~("EEC")~~ through the ~~Adjustable Block Program~~Illinois Shines program beginning on December 14, 2021~~ and as of the October 20, 2023 filing of this 2024 Long-Term Plan, 39 entities have registered.~~ . As of July 15, 2025, the Agency has certified a total of 223 EECs, which includes of 83 EEC Approved Vendors, 29 EEC Designees, 19 EEC Subcontractors, and 92 EEC Single-Project Approved Vendors.

Approved Vendors and Designees are certified as Equity Eligible Contractors if they have provided documentation verifying that the entity is majority-owned by Equity Eligible Persons. Section ~~10.1.2~~10.1.2 above outlines challenges observed and new proposals offered regarding Equity Eligible Contractor qualification.

See Section 7.4.6 for full details regarding participation in the EEC Category of Illinois Shines.

10.2.1 Advance of Capital

Section 1-75(c)(1)(K)(vi) of the IPA Act allows for the potential "advance of capital" under equity eligible contractor REC delivery contracts for projects submitted to the EEC Category[893] "upon a demonstration of qualification or need[.]" Specifically, the IPA Act provides that:

> *The Agency shall propose a payment structure for contracts executed pursuant to this paragraph under which, upon a demonstration of qualification or need, applicant firms are advanced capital disbursed after contract execution but before the contracted project's energization. The amount or percentage of capital advanced prior to project energization shall be sufficient to both cover any increase in development costs resulting from prevailing wage requirements or project-labor agreements and designed to overcome barriers in access to capital faced by equity eligible contractors.*

This Plan allows up to 50% of contract value to be advanced to an EEC-certified Approved Vendor under this provision. The Agency may award an advance that is less than requested by the EEC.

One significant challenge with advancing capital is the risk of projects not being completed and those ratepayer funds potentially being lost. That risk is different from all other contract structures in Illinois Shines that call for payments only upon project energization. To guard against waste, fraud, or abuse, the IPA believes advanced capital authorizations should be limited to only genuine cases of need and to certain project sizes.

As discussed further in Chapter 10, the Agency is concerned that the minimum statutory criteria for qualifying as an Equity Eligible Contractor may be encouraging business models which, while arguably meeting the statutory "Equity Eligible Contractor" definition, may not be "successful in advancing priority access to the clean energy economy for businesses and workers from communities that have been excluded from economic opportunities in the energy sector, have been subject to disproportionate levels of pollution, and have disproportionately experienced negative public health outcomes" as required by Section 1-75(c-10) of the IPA Act.

[893] For Program Year 2022-23, Equity Eligible Contractors were allowed to request an advance of capital for DG projects submitted to other Illinois Shines categories to account for the earlier-than expected closing of the EEC category. Please see Section 7.4.6.3 for more details. That exception ended after Program Year2022-23; only projects applied to the EEC Category are now eligible for an advance of capital.

The Agency has attempted to create an objective process by which it can evaluate whether a genuine need for capital exists. However, the Agency still has limited experience since CEJA passed, having reviewed only a few sets of such requests. As such, the IPA believes it continues to require flexibility to tailor and adjust criteria as it continues to learn what constitutes "need" and how an EEC can most effectively demonstrate that "need." Thus, the Agency proposes to continue to require that any advance of capital request should include and will be evaluated on at least the criteria below:

- The strength of the EEC's narrative description outlining the EEC's need for capital advancement due to its status as an EEC, including a discussion of structural barriers faced by that specific EEC, barriers to capital access, and why that specific level of capital advancement is requested;
- The specific costs that the capital advancement will address (equipment, permitting, professional services, interconnection costs, REC delivery contract deposits, etc.);
- The number and scale of projects previously submitted into IPA programs by the EEC or any of its owners or affiliates;
- The planned project partners and subcontractors (and specifically, the scale and sophistication of those firms);
- The financial picture facing the EEC, including its owners and affiliates, as demonstrated through balance sheets, cash flow statements, tax returns, and similar documentation;
- The degree of Equity Eligible Person involvement in the development, ownership, and management of the applicant EEC.

The Agency sought feedback on these criteria ahead of the 2024 Long-Term Plan and any additional criteria that should be included. With the exception of one entity, commenters generally supported establishing a more thorough review process, with some requesting more stringent criteria to be met prior to granting a request for a capital advance. The Agency considered these comments in tandem with comments received on related topics, such as including a socio-economic criterion in certifying Equity Eligible Persons that qualify based on residency in an EIEC, given gentrification patterns in the State.

The Agency believes that the previous experience of the EEC or any of its affiliates (such as companies with a minority ownership share) is a strong indicator of the EEC's ability to access capital from other sources. Past ability to develop and finance projects that succeeded in receiving a REC contract speak to the applicant's knowledge of project finance and that the entity has a track record to rely upon when seeking financing partners. This would similarly apply to minority-owners where those entities are involved in the project development.

Additionally, the size of the project for which the EEC is requesting an advance speaks to the sophistication of the EEC and its ability to competently develop a large, complex project. The Agency finds it difficult to square a claim of inexperience and lack of resources with an EEC that has successfully developed a large community solar project application with a REC contract value in the millions. The advance of capital and the EEC Category itself is intended to support those that have been unable to break into the clean energy sector due to systemic and structural barriers faced as an EEP – not entities (or their affiliates) that already have the expertise and skills to develop multi-million-dollar projects. Again, the Agency understands that some EEPs will want to partner with more experienced Approved Vendors to learn from them; the Agency does not wish to prohibit those arrangements. However, if that partner Approved Vendor is able to assist that EEC to develop multi-

million-dollar project applications, it is difficult for the Agency to understand why that partner Approved Vendor would not similarly be able to assist the EEC in accessing capital.

The Agency again sought feedback ahead of this 2026 Plan on the advance of capital. Only two commenters addressed the issue of limitations on the amount of capital that may be requested, with one commenter stating they were not a barrier to access and another stating they should be removed.

For all of these reasons, and because the new criteria and caps are relatively new, the Agency will continue to cap requests for advance of capital to the lesser of $750,000 or 50% of the REC incentive. These are maximums; the Agency may approve less than the amount requested. The Agency will also cap the size of REC contracts eligible for an advance of capital to $1.5 million in total REC incentives. This cap will be for a single project – if an EEC requests advances for multiple projects, there will be a cap on the cumulative total of advances awarded in a single Program Year of $5 million.

The advance of capital option is just that – an advance of the REC incentives that have already been awarded to the project via the REC delivery contract. The caps on the advance do not impact the total amount of incentives that any project would receive upon energization. The advance is also an option; EECs are not required to request one, and the Agency is not required to approve any such request.

The Agency developed a rubric upon which it will evaluate requests for an advance of capital after accepting public comment.[894] The rubric includes elements related to the issues described above, such as the number of projects previously developed by the EEC or its affiliates, project characteristics, and size and financial resources of the EEC and its affiliates. The request should also specify what project development milestone will trigger the advanced capital disbursement. Submissions shall be reviewed by the Program Administrator and Agency staff, and adverse determinations may be appealed to the IPA.

Given the sensitivity of information sought through an advance of capital application, the IPA commits to the protection of any information identified by the EEC as confidential, proprietary, or otherwise exempt from disclosure within the advance of capital request.

Once a project has been Part I verified and the contract or product order approved by the Commission, the EEC will then submit verification of achievement of the specified milestones to the Agency for review and approval. The EEC will then invoice the utility for the advancement following the regular invoicing process and the utilities will process this invoice following the same, with the payments made by the contracting utility on the regular monthly invoicing cycle.

Where a project that has received an advance of capital is not completed and the EEC does not return the advanced funds, that EEC and any affiliates will face disciplinary action and will not be eligible to submit additional project applications to the Program until, at minimum, that debt is paid.

As outlined Section 1-75(c)(1)(K)(vi) of the IPA Act, once the advance of capital is approved by the Agency, the capital will be disbursed with the following limitation on payments:

> *Capital advanced prior to energization shall serve to reduce the ratable payments made after energization … or payments made for each renewable energy credit delivery under item (iv) of subparagraph (L).*

[894] See Program Guidebook at 216-219. https://illinoisshines.com/wp-content/uploads/2025/06/Illinois-Shines-2025-26-Program-Guidebook-Final-18-April-2025-3June2025-correction-for-publication.pdf.

Following the changes made to the advance of capital process, the Agency observed a steep decline in requests. To ensure the updated process is accessible, well-understood, and appropriately aligned with the needs of EECs, the Agency solicited feedback from stakeholders ahead of the release of this 2026 Long-Term Plan. The majority of the feedback recommended the Agency release the capital earlier in the process, specifically before the execution of the contract and to offset interconnection costs. However, Section 1-75(c)(1)(K)(vi) the IPA Act specifically requires the Agency to create a process by which "applicant firms are advanced capital disbursed *after contract execution*" (emphasis added). Further, prior to the execution of a contract, there is no formal relationship between the Agency and the Approved Vendor and no contractual mechanism by which to award funding. Other commenters suggested a streamlined or automatic process for approving advance of capital requests; however, an important component of the statute requires the Agency consider the need of individual requestors which could result in a slower evaluation process to verify a request. This needs assessment does not lend well to an automated process. Commenters proposed an automatic or streamlined approach for new and emerging businesses. It is important to note that the existing evaluation of advance of capital requests does take into account both the size of a company and how long it has been active in the industry. In this 2026 Plan, both Illinois Shines and Illinois Solar for All have developed a new definition of "small and emerging business" to be used regarding issues like initial batch size and potential return of collateral. Should this definition prove useful in these initiatives, the Agency may consider incorporating this definition of small and emerging businesses into the advance of capital review in the future.

The changes to the advance of capital process, including the creation of the rubric used to review requests are relatively new, having been implemented in December of 2023. There have been only a small number of requests using the new rubric and thus the Agency does not have enough data to point to any particular issue with the process. Many stakeholders replied to Agency feedback requests that the process was simple and straightforward and noted that the market needs time to become familiar with the process. While not proposing any changes to the rubric or criteria in this 2026 Plan, the Agency will work to ensure EECs are aware of the advance of capital process and that EECs receive support and assistance aligned with their needs. Moving forward, the Agency will dedicate staff to help Approved Vendors through the advance of capital process, starting prior to the request submission and running through the potential disbursement of capital. The committee reviewing requests will also continue monitoring for issues that arise consistently and may propose refinements to the rubric based on new information. Finally, the committee reviewing requests will track any issues that arise with submissions and offer guidance on best practices in the appropriate forum.

10.3 Competitive Procurements

Projects that receive an Indexed REC Contract through an IPA-administered competitive procurement are subject to several elements of the Equity Accountability System. However, these projects are significantly different than projects participating in Illinois Shines in terms of project timeline, workforce size and structure, and the companies that develop and construct the project. As such, the Agency has adjusted the implementation of the equity provisions applicable to these projects to account for those sectoral differences. If the ~~seller~~ Competitive Procurement Supplier is an ~~equity eligible person~~Equity Eligible Person or ~~an equity eligible contractor~~Contractor, that will be considered full compliance with this requirement. Full Compliance Plans will only be required from successful bidders as discussed ~~below.~~above.

10.3.1 Bid Adjustment

Under Section 1-75(c-10)(3) of the IPA Act, entities that receive a REC delivery contract in the Agency's competitive procurements for RECs from new utility-scale wind, solar, and brownfield site photovoltaic projects are required to meet the Minimum Equity Standard at the applicable level for the delivery year in which the procurement event is conducted. However, the MES will only apply to construction activities. For example, projects selected in the Spring 2023 procurement ~~will be~~are required to ~~mee~~meet the 10% MES for construction activities, even if those activities do not begin until 2025. Projects selected in the Spring 2026 procurement will be required to meet the 14% MES regardless of when construction starts. This approach provides predictability for these large projects, ~~since the schedule of increases to the MES might change after a procurement~~which may have uncertainty around when construction will begin or end. Additionally, entities may commit to employing a higher percentage of EEPs in their project workforce or have a higher portion of contract value flowing to Equity Eligible Contractors. Those entities will receive a commensurate adjustment to their bid price prior to ranking of bids by price order. The commitments may be submitted in the form of letters of intent or executed sub-contracts. ~~–~~This bid adjustment ~~is~~and proposals for its improvement are discussed in more detail in Section ~~5.4.3.~~ 5.4.3.

10.4 Data Collection and Reporting

10.4.1 Scope of Data Collection

Section 1-75(c-20)(1) of the IPA Act acknowledges that ~~"data~~"[d]ata collection, data analysis, and reporting are critical to ensure that the benefits of the clean energy economy provided to Illinois residents and businesses are equitably distributed across the State," and for "track[ing] and improv[ing] equitable distribution of benefits across Illinois communities." It directs the Agency to collect certain data from all entities participating in Agency programs so that the Agency may monitor the progress in advancing access to and participation in renewable energy incentive programs by diverse businesses and residents.

The ~~Agency~~IPA will "collect demographic and geographic data for each entity awarded contracts under any Agency-administered program" pursuant to Section 1-75(c-20)(2), which the Agency understands to include the Illinois Shines and Illinois Solar for All programs, projects receiving an Indexed REC Contract through a competitive procurement, and projects participating in the ~~Self~~self-direct ~~Program. That section~~program. Section 1-75(c-20)(3) requires the collection of:

> ~~Demographic~~
> "(A) demographic information, including racial or ethnic identity for real persons employed, contracted, or subcontracted through the program and owners of businesses or entities that receive contracts through Agency programs or procurements;
> ~~Geographic~~(B) geographic location of the residency of real persons employed, contracted, or subcontracted through the program and geographic location of the headquarters of the business or entity is awarded a contract through an Agency program or procurement; and
> ~~Any~~and
> (C) any other information the Agency determines is necessary for the purpose of achieving the purpose of this subsection~~.~~."

The Agency ~~is still in the process of integrating the demographic information requirement for owners of Approved Vendors into the Approved Vendor registration. Otherwise, it~~ does not propose in this ~~2024~~2026 Plan to collect data on any new workforce characteristics and will provide stakeholders the opportunity to review proposals and provide feedback before any new information requirements are implemented. As required by Section 1-75(c-20)(4), the ~~Agency~~IPA will "publish~~...~~ . . . annually, information on the demographics of program participants on an aggregate basis" as part of the Agency's Annual Report.

10.4.2 Approved Vendor Reporting

Approved Vendors in the Illinois Shines and Illinois Solar for All ~~Programs~~programs will provide the above required information at two points. Project-level data on the demographics and residency (by zip code) of the project workforce ~~will be~~is collected in the Part II project application. Demographic information pertaining to the owners of Approved Vendors will be collected through the annual ~~AV~~Approved Vendor registration renewal~~. Finally,~~, and aggregate ~~—~~workforce demographic data will be collected through the MES Year-~~end~~End Report.

~~While the Agency received feedback that AVs would prefer to report this data once annually in a single form, the Agency has concerns with that approach. First, the IPA is not confident that a single annual collection of aggregate data will provide the granularity that would allow the Agency to fully assess the success of the Equity Accountability System in facilitating access to quality economic opportunities for equity eligible persons and in creating a diverse solar energy workforce. For example, aggregated annual data would not allow the Agency to assess any differences in the demographics of project workforces in different regions of the state, nor would it allow assessment of the types of work certain demographics are performing or the hours they are receiving. This is of particular concern given the reports the Agency has received that some EEPs are hired for minimal work or given less or lower-skill work than they were promised, just to meet the MES. While race and ethnicity are not a basis for qualification as an EEP, this is another dimension that will help the Agency assess the current equity system – whether the current definition of EEP is influencing the racial or ethnic diversity of the workforce. Additionally, the Agency has concerns that Approved Vendors would be able to accurately track and store workforce data across the Program Year if they were not required to report it on a project-level basis. As the Agency understands it, the solar workforce can often be fractured and diffuse, with some companies or individuals hired for small pieces of a project development process. Without the requirement to include the demographic information in the Part II application, the Agency sees greater likelihood for gaps. Indeed, the Agency has already received requests for exemptions from collecting this data due to Approved Vendors failing to collect it from a subcontractor at the time of installation. Further extending the time between the contact with the subcontractor and the point at which the Approved Vendor submits the information will only exacerbate the likelihood that the data collection will be insufficient.~~

~~On the other hand, collecting demographic and geographic data on the workforce only through the Part II application would not capture those that work on projects that do not proceed to Part II verification. It also does not capture the non-installation workforce. For that reason, the Agency will collect aggregated workforce demographic and geographic information as part of the MES Year-end Report. The draft 2024 Plan proposed to maintain this annual reporting as part of the Annual REC Report, but the Agency believes it makes more sense to integrate this reporting into the MES process.~~

The Agency considers its data collection to be an essential statutory responsibility and one that informs decisions across programs. Stakeholders have provided feedback in prior years expressing preference report data only on a portfolio, rather than on a project-specific, level and to report data only annually. However, the Agency requires the granularity of project-level data to fully assess the efficacy of the Equity Accountability System, how it is performing in different regions, and how it is performing across different types of work. The Agency also requires data throughout the year to assess all stages of project development. Reducing the time between the performance of the work and the reporting of the data about that work also ensures that gaps do not hinder an Approved Vendor's ability to successfully collect data.

The Agency and its Program Administrators have made efforts to enhance the efficiency and accuracy of MES reporting. These improvements include the launch of new reporting platforms that automate calculations, flag data entry errors, and send automatic reminders and notifications. In addition, the Agency has revised reporting questions to be more concise and targeted, resulting in more consistent and specific data, and more streamlined review processes.

10.4.3 Publishing Data

Section 1-75(c-20) requires the Agency to "publish, at least annually, information on the demographics of program participants on an aggregate basis." The Agency publishes aggregate demographic data on the Approved ~~Vendors~~Vendors' workforce through its Annual Report. However, the Agency also provides data ~~in the Equity Portal~~ on the participation in the Energy Workforce Equity Portal, including the number of EEPs certified and ~~how many are Qualified Persons or NABCEP Certified.~~ their aggregated demographic information.

~~With the Agency's continuing efforts to educate job seekers and AVs and Designees on the advantages of using the Portal,~~As further described in Section 10.5.2, the Agency ~~intends to eventually have~~is developing a dashboard ~~on the Equity Portal~~ to provide regularly~~.~~ updated information on the achievement of the MES and other ~~information~~ relevant ~~to increasing the equitable access to the solar economy.~~data.

10.4.4 Competitive ~~procurements~~Procurements

As outlined in Section ~~5.4.3, the Agency will conduct an annual survey of entities that have an Indexed REC Contract to collect the~~5.4.3, the Agency collects demographic and geographic data regarding the project workforce~~.~~ through the Year-End Report. As with the MES, this data will only be collected for the workforce involved in project construction activities.

10.5 Energy ~~Equity~~ Workforce Equity Portal

~~-~~Section 1-75(c-25) requires that the Agency develop an Energy Workforce Equity Dashboard, which the Agency refers to as the Energy Workforce Equity Portal~~. As of the filing this 2024 Long-Term Plan, the Agency has developed, launched, and updated this tool.~~ ("Equity Portal" or "Portal"). This online resource ~~allows users to view the participating businesses in the renewable~~is designed to connect clean energy ~~industry of~~companies with Equity Eligible Persons looking to work in the clean energy sector in Illinois. ~~Participating entities will~~ Entities registered as clean energy companies in the Equity Portal have the ability to post jobs and recruit Equity Eligible Persons ~~in an effort to help said entities~~to achieve a more diverse workforce and comply with the MES.

The Equity Portal also ~~enables individuals~~features an application to become certified as Equity Eligible Persons and ~~seek the previously mentioned~~ an option for clean energy companies to post job opportunities. Individuals must attest to the fact that they meet one or more of ~~these~~the EEP qualifications. Additional documentation may also be required depending on the basis on which the individual qualifies. If qualification is based on residency, the individual ~~will be~~is required to provide proof of residency (e.g., driver's license, utility bill, ~~pay stub,~~ etc.). If qualification is based on participation in or graduation from a qualifying job training program, the individual ~~will be~~is required to provide a copy of their Certificate of Completion, or direct communication from the instructor of the program.

As required by Section 1-75(c-25)(1), the ~~Agency has created this~~ Equity Portal ~~to be~~is publicly accessible and easy to use. ~~Filters can be applied to help~~ All public users ~~sort through~~ can view active clean energy job ~~listings or find EEPs looking for jobs in different regions. Contact information for EEPs is visible only to registered employers~~postings, clean energy companies, and ~~contact information for available jobs is visible to all users.~~Equity Eligible Contractors who are Approved Vendors, Designees, or Subcontractors. The ~~Portal includes~~public also has access to informational resources, including a map of ~~equity investment eligible communities~~Equity Investment Eligible Communities, workforce training and development program information for both DCEO-run programs and others, information for small and emerging clean energy businesses, and a library of grant and funding opportunities.

Clean energy companies that are registered in the Equity Portal are provided with access to the EEP Dashboard, which contains a list of EEPs who have elected to have their information shared with clean energy companies. Filters can be applied to help registered clean energy companies find and recruit EEPs by region, key skills needed, and availability.

The draft 2024 Plan proposed that EEPs be required to certify through the Equity Portal beginning with Program Year 2025-26. In the development of this 2026 Plan, the Agency requested input on the possibility of requiring that all EEPs be certified through the Portal. This proposal was intended to streamline the certification process, reduce duplicative documentation, and support more robust and consistent data collection. A more centralized, complete record of certified EEPs would allow the Agency to then provide more aggregated data regarding the EEP population, such as the EEP distribution across the state, how they qualify, how they learned about the program, etc. Stakeholders raised concerns about making the Equity Portal the sole method for EEP certification as it could present barriers for EEPs due to digital literacy, limited internet access, and language accessibility. Additional feedback raised concerns about data privacy, with some stakeholders noting that many EEPs do not feel safe sharing personal information with government entities. Other feedback stated that this approach would increase the administrative burden on Approved Vendors and Designees. After carefully weighing this feedback, the Agency has decided not to require EEP certification solely through the Equity Portal under this Plan. While the Agency continues to believe that a centralized certification process is critical to improving the quality and completeness of EEP data collection, it also acknowledges that such a requirement must be designed with attention to accessibility, particularly for the communities the EAS is intended to benefit. If the upcoming Racial Disparity Study demonstrates that the current fragmented approach the EEP certification limits the Agency's ability to assess whether the equity goals of the IPA Act are being met, the Agency may revisit this requirement in a future Plan. In the meantime, the Agency will continue to explore ways for

improving the usability and accessibility of the Portal, and will work to strengthen data collection practices using existing tools and processes.

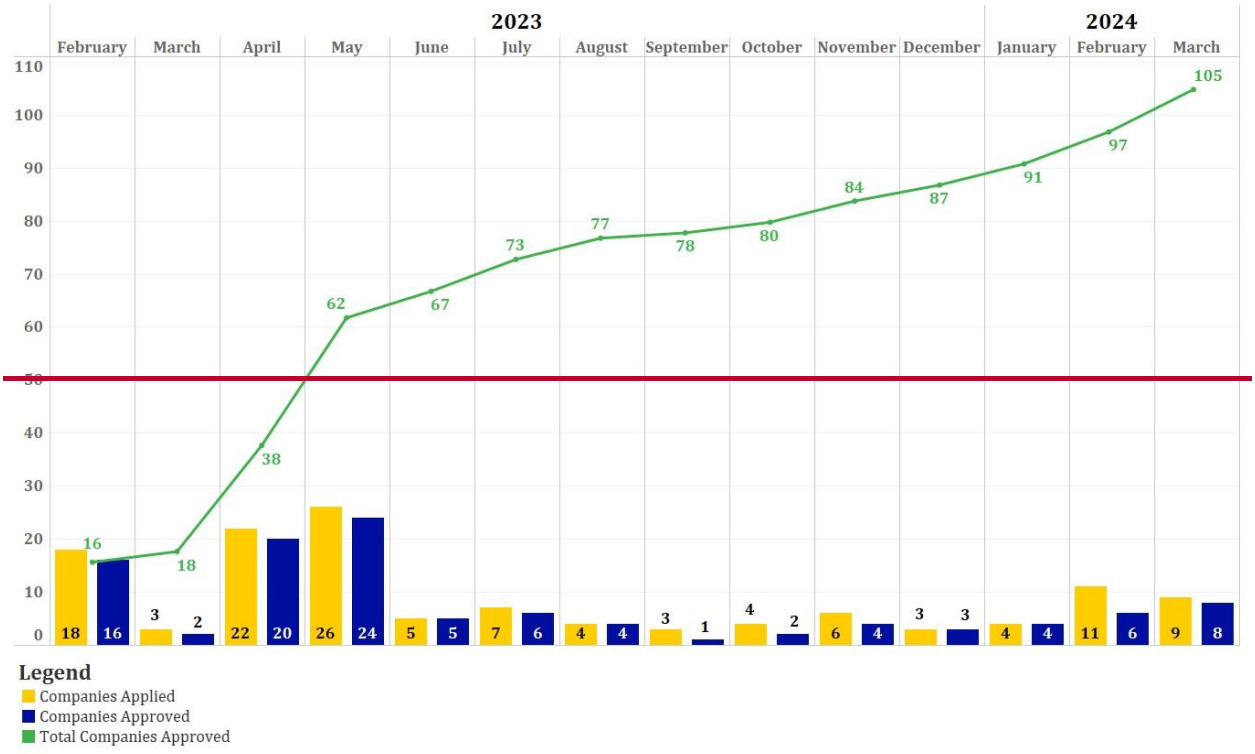
10.5.1 Participation Metrics

The Agency measures participation in the Equity Portal using the following weekly metrics:

i. Number of companies applied, and number of companies approved;
ii. Number of jobs submitted, and number of jobs posted; and
iii. Number of EEPs applied, and number of EEPs approved.

~~For consolidation purposes, the following charts will show monthly metrics. It is important to note that the portal launched on January 31, 2023, providing only a single day of data for the month of January in the below figures.~~

~~**Figure 10-1: Clean Energy Companies in 2023-2024**~~

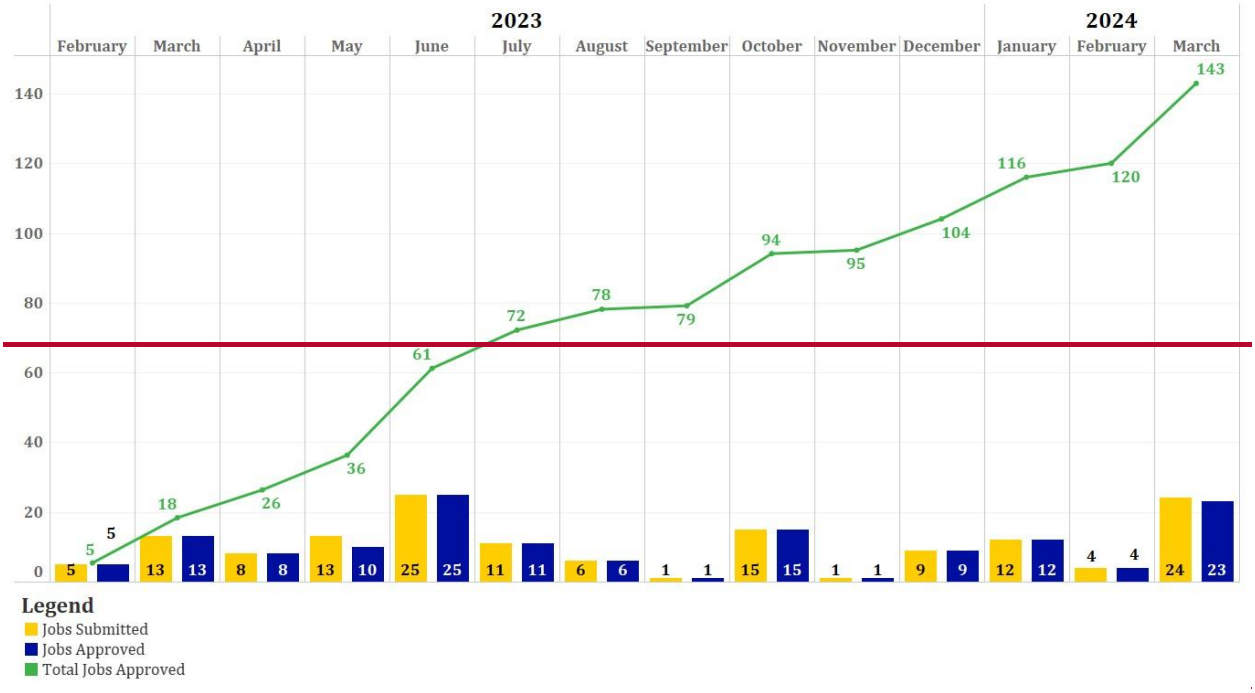


~~Data collected through March 31, 2024.~~

As shown in ~~Figure 10-1~~Figure 10-1, ~~in the fourteen months since the launch of the Energy Workforce Equity Portal,~~ below, there have been a total of ~~105~~229 clean energy companies approved to participate in the Portal~~. February, April, and May had the highest rates of applications. While there were 125~~ as of July 31, 2025. Of the 229 clean energy companies ~~which applied, a handful~~, approximately 174 reported participating in the Illinois Shines program. While there was a total of 273 applications for clean energy company registration on the Equity Portal, some were denied due

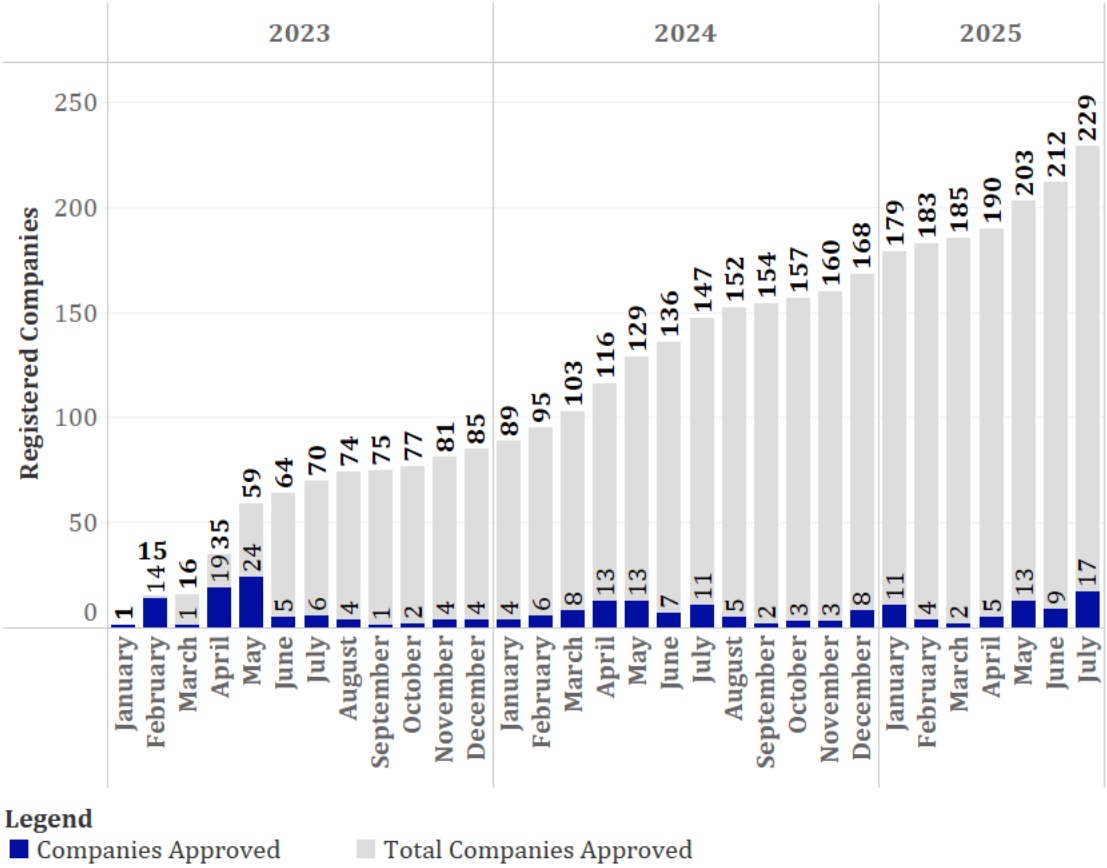
to ~~a)~~an inability to verify ~~their~~the company~~, b) duplicate applications,~~ or ~~c) an error~~noncommunication concerning errors or missing information in ~~their submission~~the application. When additional information is needed, the Agency reaches out to the contact listed ~~in~~on the ~~submission~~application.

~~Figure 10-2: Clean Energy Jobs in 2023-2024~~



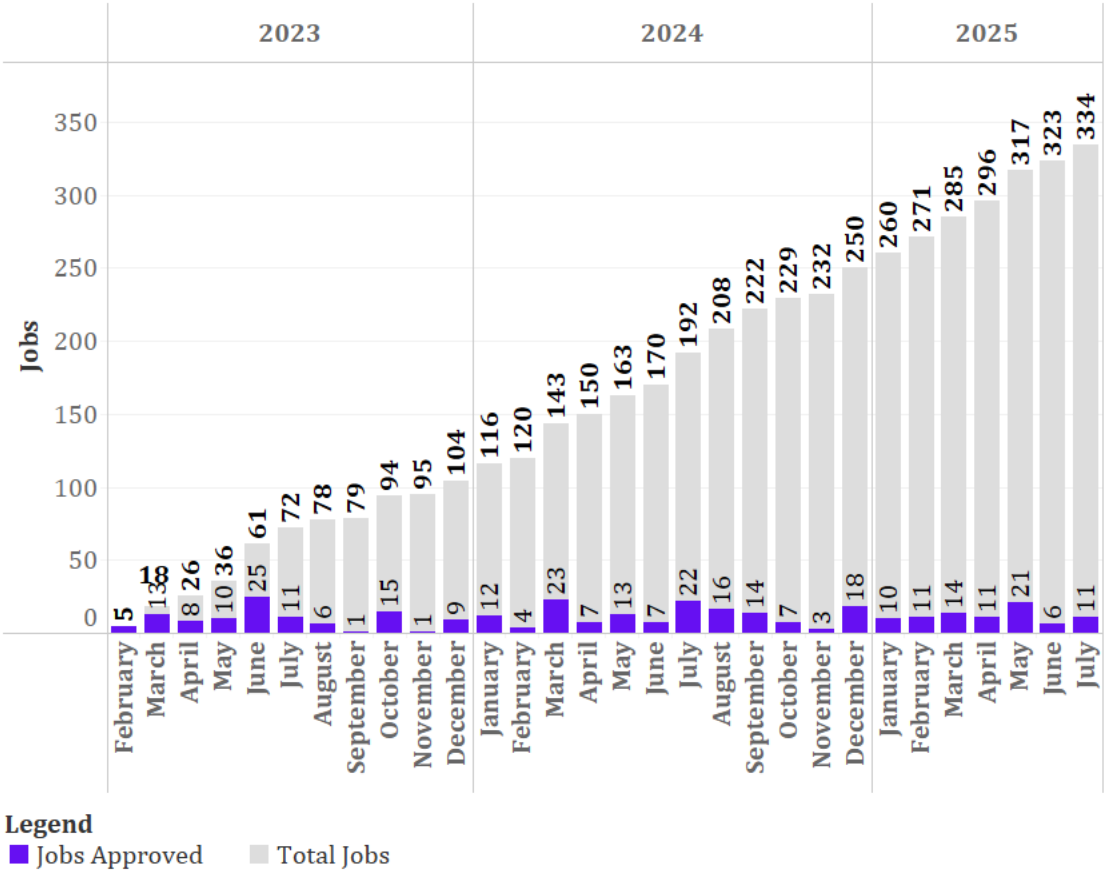
~~Data collected through March 31, 2024.~~

Figure ~~10-2~~10-1: Clean Energy Companies in 2023-2025



Source: Diversity, Equity, and Inclusion Bureau, Illinois Power Agency (July 2025)
Note. The companies displayed in this chart represent external companies that are registered on the Energy Workforce Equity Portal.

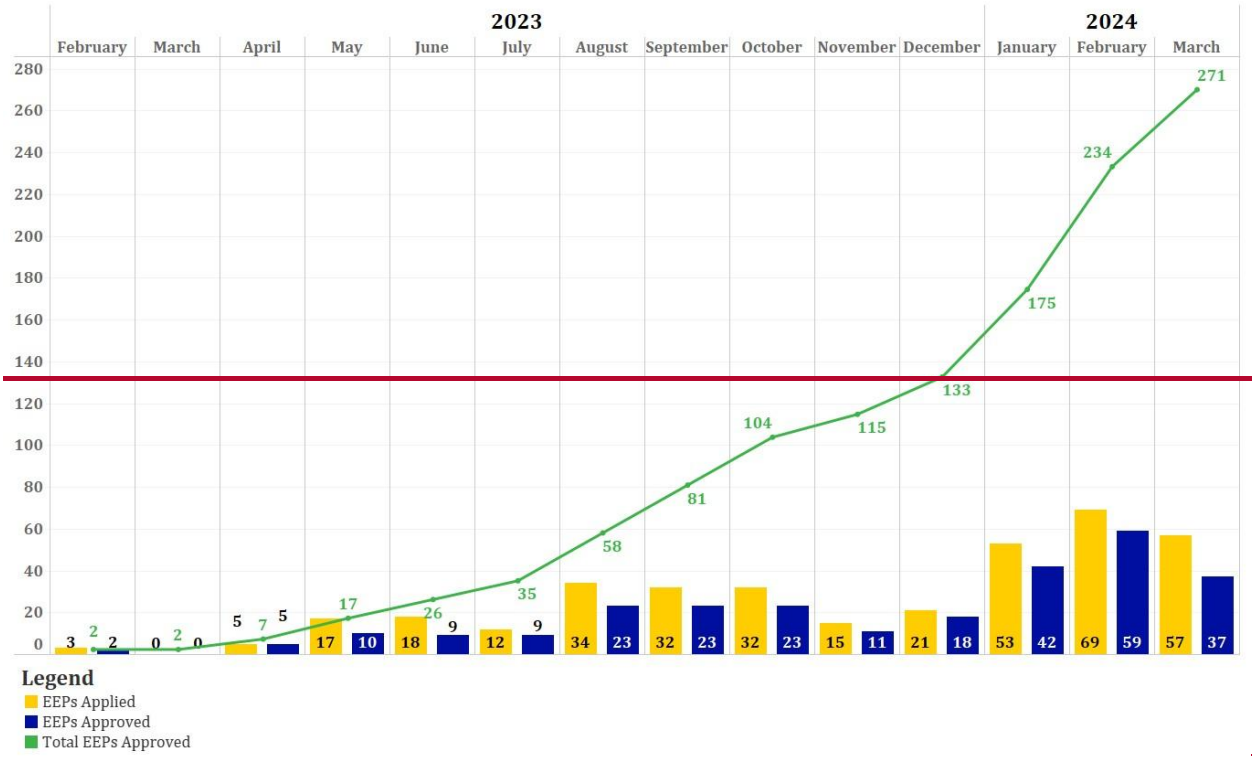
Figure 10-2: Clean Energy Jobs in 2023-2025



Source: Diversity, Equity, and Inclusion Bureau, Illinois Power Agency (July 2025)
Note. The jobs displayed in this chart represent job openings submitted by external companies to the Energy Workforce Equity Portal. The date reported is based on the date of submission.

Figure 10-2, above, shows that, between the ~~breakout of the 147 jobs~~ Equity Portal's launch in February 2023 and July 31, 2025, 334 jobs have been submitted and ~~143 jobs~~ approved ~~in the past fourteen months since the launch of the Portal. The three jobs which were submitted but not posted were denied due to errors in their submissions. For job listings~~ to be posted~~, the company must first register~~ on the Portal. ~~The Agency reaches out to the contact listed on the listing when additional information is required.~~ When a clean energy company ~~is submitting~~submits a job posting, they ~~are required to~~ must select a listing duration of 30, 60, or 90 days. In an effort to improve the user experience for EEPs, expired or filled job postings are ~~now being~~ removed from the Portal. As of ~~March~~July 31, ~~2024~~2025, there ~~are 38 non-expired~~were 28 active jobs posted on the Portal.

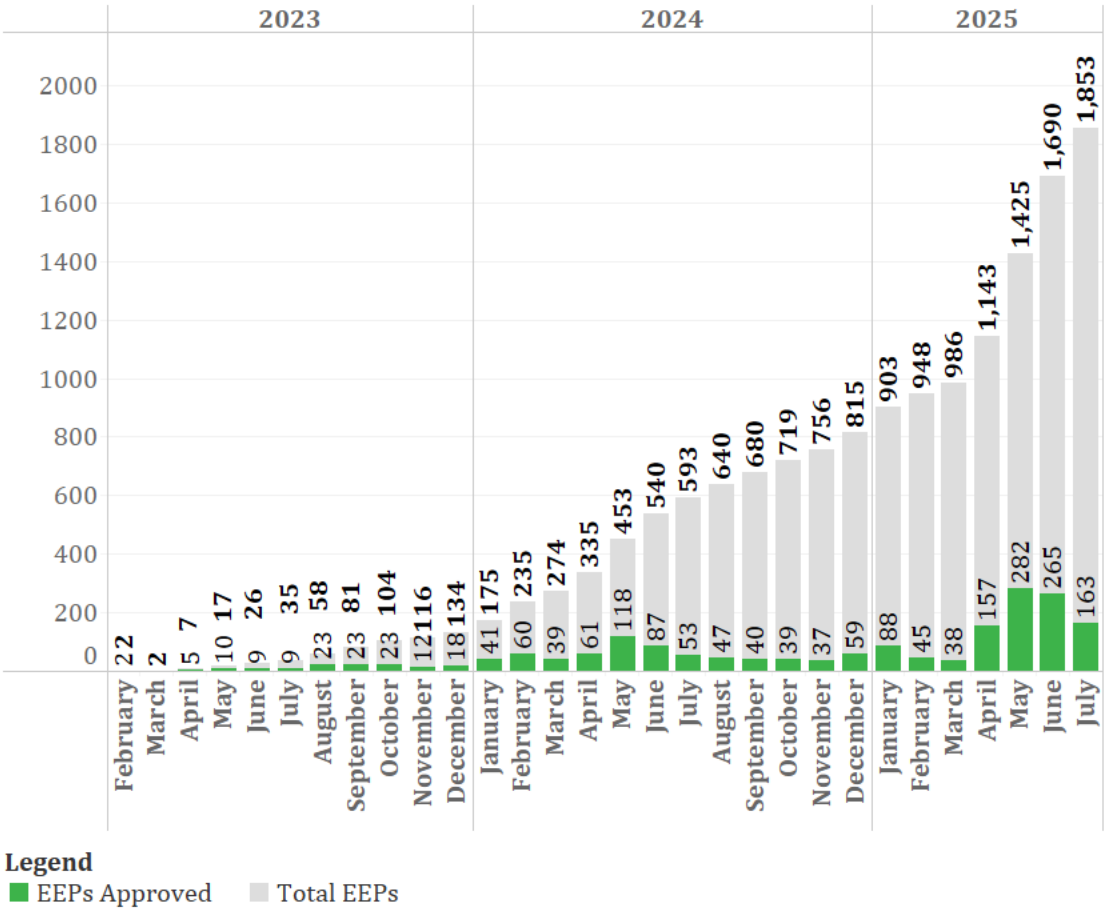
~~Figure 10-3: Equity Eligible Persons in 2023-2024~~



~~Data collected through March 31, 2024.~~

~~Figure 10-3~~

Figure 10-3: Equity Eligible Persons in 2023-2025



Source: Diversity, Equity, and Inclusion Bureau, Illinois Power Agency (July 2025)
Note. The data reported is based on the date of submission.

Figure 10-3, above, shows the number of individuals who ~~applied to~~have become certified as an EEP through the Equity Portal each month~~, the number of~~. As of July 31, 2025, there have been 1,857 individuals who ~~were approved~~have registered as an EEP ~~each month, and~~through the ~~cumulative total of~~Portal. Of those ~~individuals~~EEPs who ~~were approved to date month by month. As seen above, January, February, and March 2024 had the greatest number of applicants, but also the biggest difference between applicants and approved EEPs.~~have registered through the Portal, 61% reside in an EIEC, 30% participated in or graduated from a qualifying workforce training program, 21% are formerly incarcerated individuals, and 3% are current or former participants in the foster care system.

EEP registration through the Equity Portal has seen significant growth, with 33% of all EEP registrations through the Portal occurring since May 1, 2025. The Agency believes that two factors are responsible for this recent uptick. First, the increase in registrations is likely due, in part, to the fact that all EEPs were required to be certified by the July 15, 2025 due date for the Year-End Report

for Program Year 2024-25. In other words, it is to be expected that more EEPs would register in the weeks and months leading up to the due date for the Year-End Report. Second, the increase is likely also due to more of DCEO's workforce training programs established under P.A. 102-0662 coming online. This is evidenced by the fact that 40% of the EEPs that registered between May 1 and June 30, 2025 were qualified to be EEPs due to their participation in one of the aforementioned training programs.

Individuals applying for EEP registration through the Portal may be required to provide additional documentation depending on their basis for being an EEP. Individuals are denied EEP status when they are unable to provide such verification ~~that they have met one of the qualifications that requires additional documentation (primary residency in an Equity Investment Eligible Community (EIEC), and graduate or participant in eligible job training/workforce development program) or when they have not provided a complete application.~~ . When additional documentation is required, the Agency will ~~reach out to~~contact the individual who applied in an attempt to obtain that information. ~~If there is no response after multiple follow-ups, the Agency may see it fit to deny the application.~~

10.5.2 Ongoing Updates

~~Since the launch of the Energy Workforce Equity Portal on January 31, 2023, the Agency has made several updates to the Portal as part of our Phase II enhancements, including links to training resources and other information that may be of benefit to intended Equity Portal users.~~

~~One challenge the Agency has encountered in designing the Equity Portal has been to navigate the various points of overlap with other IPA programs and with the work of other agencies and to balance the desire to educate and support the public with the risk of obfuscating minimum program requirements. For example, as explained above, there is a specific set of workforce training programs funded by DCEO that serve as a qualification to be certified as an EEP. However, individuals that qualify as an EEP via another basis may want information on a wider universe of training programs. The Illinois Solar for All Program has an existing catalogue of both FEJA-created and other qualified training programs, so the Agency added a link to that ILSFA resource, but also recognizes the risk that the public could interpret that content to mean that any program listed on the ILSFA catalogue would qualify that individual as an equity eligible person.~~

~~To address this tension, the Education and Trainings page was broken into two new pages: *FEJA and CEJA Workforce Training Programs*, and *Other Education and Training Programs*. The *FEJA and CEJA Workforce Training* Programs page was simplified to only include links to the DCEO-administered trainings, participation in which would qualify an individual as an equity eligible person. The *Other Education and Training Programs* page was a new addition that serves as a library of training resources that will not qualify an individual as an EEP, but rather help build knowledge and skills for the clean energy workforce. In addition to the education and trainings pages, the Agency created a *Grants & Funding Opportunities* page. This page provides links to financial resources for organizations at a state, federal, and local level.~~

~~The IPA plans to explore ways it might bolster the capabilities of the Equity Portal to improve tracking progress toward MES compliance, identifying EEPs that are actively searching for employment, and connecting EEPs looking for opportunities with training, support, and employers. The IPA also will be expanding its outreach efforts to small and minority businesses to increase access to its programs and encourage greater participation of Equity Eligible Contractors on the Equity Portal. The Agency will be employing a variety of outreach strategies, such as targeted~~

~~workshops, community events, partnerships with business associations and community organizations, among others, to ensure that opportunities are accessible to EECs and potential EECs in the clean energy economy.~~

Since the 2024 Plan, the Agency has worked to enhance and add value to the Energy Workforce Equity Portal. One important update has involved creating an easier pathway for companies to register their EEPs. Previously, EEPs themselves were required to complete their own registration applications – the company was not able to do so on their behalf. However, the Agency recognized the benefits of streamlining that process and has now created a process to allow companies to apply for EEP registration on the employee's behalf. The EEP must still sign an attestation form, but the company can now be the one to upload the attestation and complete the remainder of the application on behalf of the EEP.

Another beneficial update includes an anonymous feedback form. The Agency created this tool to allow users to share any questions or concerns about the Equity Portal with the Agency outside of structured surveys and roundtables conducted annually. This tool will enable the Agency to analyze trends and identify recurring issues, allowing for more targeted and responsive updates to the Portal.

In addition to the above updates, the Agency is in the process of adding even more functionality to the Equity Portal. First, the Agency plans to provide another optional benefit for EEPs registered in the Equity Portal in fall of 2025. Upon registration, EEPs will be given the option to provide a resume and make that resume visible to registered clean energy companies looking for employees. For those EEPs who have previously registered in the Portal, the Agency will also offer the opportunity to add or update their resume and make it visible to potential employers.

Second, the Agency plans to add a diversity, equity, and inclusion data dashboard to the Equity Portal by the summer of 2026. This dashboard will provide regularly updated information on the achievement of the MES and other information relevant to increasing equitable access to the solar economy.

Third, the Agency plans to create a certificate or other form of documentation confirming an individual's status as an EEP. Currently, EEPs receive a single approval email confirming their status. If this email is lost, the only way to retrieve proof of certification is to contact the Agency directly, creating inefficiencies and dependency. Incorporating a downloadable, digital certificate will ensure EEPs are more easily able to demonstrate their EEP status. The Agency is currently researching software applications that can assist with automating this process.

In addition to the above, the Agency will continue to explore other ways it might bolster the capabilities, efficiency, and usefulness of the Equity Portal for EEPs, EECs, and clean energy companies generally.

10.6 Equity Accountability System Assessment

Section 1-75(c-15)(2)(A) of the IPA Act requires the Agency to assess the effectiveness of the Equity Accountability System in increasing participation of Equity Eligible Persons and Equity Eligible Contractors in IPA programs and procurements. The Agency ~~must~~was required to conduct this analysis within one year of awarding the first contracts that resulted from the implementation of the ~~Equity Accountability System.~~ EAS.

~~**Scope**~~

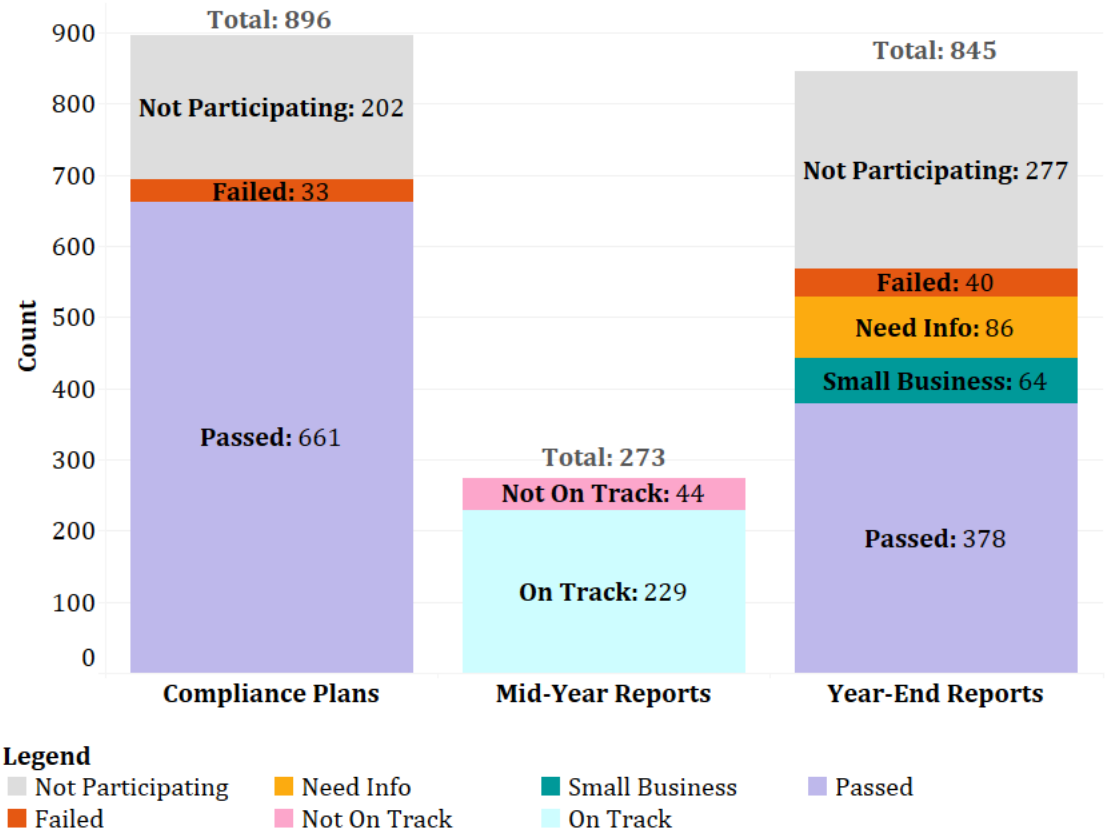
The IPA published Part I of the Equity Accountability System Assessment in August of 2024 and published Part II, which encompasses Part I on February 14, 2025.[895] The methodology used to assist the Agency with assessing the efficacy of the Equity Accountability System ~~will include, but will not be limited to,~~included the following:

i. Analysis of data collected by the Agency through its programs and procurements;
ii. Interviews with area and regional businesses;
iii. Community outreach-; and
iv. Focused assembly of randomly chosen EEC business owners to articulate their experiences in doing business in the industry with the State of Illinois.

The Agency's analysis found that the system has made a meaningful start in operationalizing equity goals within Illinois' clean energy sector, but also revealed key challenges that must be addressed to ensure long-term success. Implementation of the Minimum Equity Standard demonstrated that the majority of participating entities were able to meet or exceed the initial 10% EEP workforce requirement. The dedicated Equity Eligible Contractor category also saw steady growth, with expanded participation supported by the Mentorship Program and tailored support. However, the assessment surfaced barriers and structural challenges that limited the system's effectiveness in reaching its full potential. These included the timeline of the rollout of CEJA-funded workforce training programs resulting in a limited pipeline of qualified Equity Eligible Persons, uneven geographic distribution of EEPs and EECs, and instances of potential misuse or manipulation of EEC category. Administrative complexity was another recurring theme, with participants expressing confusion around the MES requirements, data tracking, and reporting procedures. Stakeholder feedback underscored the need for stronger outreach, simplified compliance tools, and ongoing policy refinement to align compliance practices with the spirit and intent of the law. These insights have directly informed the Agency's ongoing improvements to both the MES and the broader Equity Accountability System, helping to refine program policies, outreach and technical support strategies, and reporting practices. The EAS has established a solid foundation, but continued investment in support infrastructure, oversight mechanisms, and stakeholder engagement is necessary to fully realize its equity objectives.

[895] Illinois Power Agency, Equity Accountability Assessment (Feb. 14, 2025) https://ipa.illinois.gov/content/dam/soi/en/web/ipa/documents/20250214-equity-accountability-system-assessment-part-2-final.pdf.

Figure 10-4: MES Compliance in Year 1 of EAS Implementation



Source: Illinois Shines, Illinois Power Agency (January 2025)
Note. Each column includes the total number of reports for AVs, designees, and subcontractors. The Year-End Reports "Passed" status includes all entities that passed in addtion to EECs (who automatically pass) and entities that were granted a waiver (2).

Figure 10-4, above, illustrates MES compliance rates during the first year of EAS implementation, Program Year 2023-24. Tracking results across Compliance Plans, Mid-Year Reports, and Year-End Reports provides a comprehensive view of Illinois Shines' Approved Vendors' and Designees' adherence to MES requirements. Based on the Agency's analysis of Year-End Reports, 78% of participating entities met or exceeded the 10% MES requirement in the inaugural year.

The Agency ~~plans on measuring~~measured the success of the Equity Accountability System by considering~~, at minimum,~~ the demographic data from the Minimum Equity Standard Compliance Plans for both the Illinois Shines ~~Program~~program and competitive procurements, the number of MES waivers requested, the number of Equity Eligible Contractors and on what basis they qualify as an EEC, and the number of Equity Eligible Persons registered in the Energy Workforce Equity Portal and on what basis they qualify as an EEP. ~~Using these metrics will help the Agency determine whether the efforts of increasing EEP and EEC participation have been successful.~~ Additionally, using the data collected in ~~Part II project applications and~~ the MES Year-~~end~~End Report, as mentioned in ~~section 10.4,~~Section 10.4, the Agency will continue to assess the success of the Equity Accountability System in increasing ~~racial and ethnic~~ diversity ~~of~~in the solar energy workforce.

~~10.6.1 Timeline~~

~~Section 1-75(c-15)(2)(A) sets the timeline for publishing the assessment findings to be within one year after contracts are awarded under the equity accountability system. The system launches June 1, 2023 and there will be some lag between that date and the first contracts awarded. Therefore, the Agency aims to publish the initial study by August 1, 2024. The Agency will publish the findings of all research listed above, along with recommendations made to the Agency regarding inclusion of minority and disadvantaged businesses in the procurement process. The report will display participating workers and contractors by race, ethnicity, and gender identity with all data anonymized.~~

10.7 Racial Disparity and Availability Study

After ~~that initial~~the assessment of the ~~equity accountability system~~Equity Accountability System, Section 1-75(c-15)(2)(B) of the IPA Act requires ~~that~~ the Agency, in consultation with DCEO, Department of Labor, and any other relevant agencies, to commission a "disparity and availability study" to "measure[] the presence and impact of discrimination on minority businesses and workers in Illinois' clean energy economy," including activity outside of IPA programs, utilizing consultants and subject matter experts. The law further states that, if the study "establishes a strong basis in evidence that there is discrimination in Illinois' clean energy economy, the Agency . . . shall take appropriate remedial actions," including race-conscious remedial actions, to remedy the discrimination.

The study will ~~review~~evaluate the State's renewable energy sector regarding access, participation, and utilization of contractors, with a special emphasis on minority-owned business enterprises and minority/disadvantaged workers, with the goal of analyzing whether race or gender has been a barrier to equitable access for all business owners and workers.

~~Section 1-75(c-15)(2)(B) of the IPA Act expressly exempts the selection of a consultant to conduct this study from the bidding requirements contained in Section 20-10 of the Illinois Procurement Code. Like other selection processes for consultants conducted by the Agency that are exempt from those requirements (e.g., Procurement Administrators, Procurement Planning Consultants, and Program Administrators), this process will be conducted in two parts consisting of an initial Request for Qualifications and a subsequent Request for Proposals issued to qualified respondents to the Request for Qualifications. The Agency will also consult relevant professionals experienced with the use and design of disparity studies and the legal considerations of race-conscience remedies prior to the selection of a consultant.~~

10.7.1 Timeline and Expected Scope

Section 1-75(c-15)(2)(B) provides that the Agency shall commission the disparity study "as soon as is practicable" after publishing the assessment of the ~~equity accountability system. The Agency will work with DCEO to develop a timeline for commissioning this study. Given the proposed timing of the publication of the Equity Accountability System assessment of August 2024, the Agency intends to have any consultants selected and under contract no later than shortly after the publication of the assessment, so that the disparity study may launch "as soon as is practicable thereafter" as directed by statute.~~Equity Accountability System. The Agency conducted a two-part procurement process involving a Request for Qualifications and a Request for Proposals to select a consulting firm to lead

the study. The Agency finalized its contract for the disparity study in June 2025, and began developing the study with two planning calls in July 2025 and a kickoff meeting in August 2025.

~~10.7.2 Expected Scope~~

~~The methodology of the disparity study will be determined by the consulting firm retained by the Agency to conduct the study.~~

~~The Agency will collaborate with DCEO, Department of Labor, and other relevant agencies, and the entity contracted to conduct the disparity study to create scheduled public workshops to collect stakeholder input. Entities not comfortable sharing experiences in a public setting or unable to attend will have the option of sharing experiences via written communication.~~

Following these initial convenings, the consultant will begin project initiation with a data assessment meeting, data assessment reporting, data collection plan, data requests, and data verification and supplemental efforts to address any identified data gaps. Following the completion of the data collection and verification, legal review and analysis will commence. The disparity study consultant will also conduct a policy review, workforce and programs evaluation, availability study, utilization analysis, statistical disparity analysis, and anecdotal evidence studies. The study culminates in a findings and recommendations report in which the consultant will produce detailed findings from the study including the impact and measure of potential presence of discrimination on minority businesses and workers in Illinois' clean energy economy, as well as a set of recommendations for the IPA, DCEO, and other state agencies to address any disparities identified in the sector. The consultant is expected to deliver this final report in the summer or fall of 2026.